



MAYOR AND COUNCIL

MEETING NO. 20-18
Monday, June 4, 2018 – 7:00 PM

AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

7:00 PM **1. Convene**

7:05 PM **2. Pledge of Allegiance**

7:10 PM **3. Agenda Review**

7:15 PM **4. City Manager's Report**

7:25 PM **5. Proclamation**

A. Proclamation Declaring June 14, 2018 as Flag Day in Rockville

B. Proclamation Declaring June 11 - 17, 2018 as Men's Health Week

7:35 PM **6. Recognition**

A. Recognition of Exceptional Service Provided to the Fireside Park Apartments Community in Response to the Fire on February 2, 2018

7:40 PM **7. Boards and Commissions Appointments, Reappointments and Announcements of Vacancies**

A. Boards and Commissions Appointments, Reappointments and Announcement of Vacancies

7:45 PM **8. Community Forum**

Any member of the community may address the Mayor and Council for 3 minutes during Community Forum. Unless otherwise indicated, Community Forum is included on the agenda for every regular Mayor and Council meeting, generally between 7:00 and 7:30 pm. Call the City Clerk/Director of Council Operation's Office at 240-314-8280 to sign up to speak in advance or sign up in the Mayor and Council Chamber the night of the meeting.

9. Mayor and Council's Response to Community Forum

10. Mayor and Council Announcements

8:05 PM 11. Consent

- A. Approval to Extend Request for Proposal (RFP) 41-11 Contracts for Professional Engineering Services Related to the Assessment, Design for Repair And/Or Replacement, and Construction Inspection Services for City Bridges and Structures.**
- B. Approval to Extend Request for Proposal (RFP) 12-12 Contracts for Professional Architectural, Engineering, and Other Related Services.**
- C. Approval of Minutes**

8:10 PM 12. Public Hearing for an Abandonment of a 0.03-Acre Portion of Halpine Road Right-Of-Way

8:25 PM 13. Third Quarter FY 2018 Financial Report

8:35 PM 14. Approval of Modifications to the Moderately-Priced Dwelling Unit (MPDU) Regulations

8:45 PM 15. Approval of Moderately Priced Dwelling Unit (MPDU) Rents Schedule for Fiscal Year 2019

9:05 PM 16. Review and Comment - Mayor and Council Action Report

- A. Mayor and Council Action Report**
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B. Future Agendas

17. Review and Comment - Future Agendas

18. Old/New Business

9:20 PM **19. Adjournment**

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: <http://www.rockvillemd.gov/mcguidelines>.



Mayor & Council Meeting Date: June 4, 2018
 Agenda Item Type: Proclamation
 Department: City Clerk/Director of Council Operations Office
 Responsible Staff: Michelle Chite

Subject

Proclamation Declaring June 14, 2018 as Flag Day in Rockville

Recommendation

Read, approve, and present the proclamation to Mr. Charlie Banez and Mr. Bob Ennis from Washington-Rockville Elks Lodge #15.

Discussion

The first Flag Day observance dates to 1885 when school teacher, Bernard J. Cigrand, first organized a group of Wisconsin school children to observe June 14th, the 108th anniversary of the official adoption of The Stars and Stripes, as the flag's birthday. Cigrand, now known as the 'Father of Flag Day', continued to publicly advocate the observance of June 14th as the flag's birthday, or 'Flag Day' for years.

Just a few years later the efforts of another school teacher, George Balch, led to the formal observance of Flag Day on June 14th by the New York State Board of Education. Over the following years as many as 36 state and local governments began adopting the annual observance. For over 30 years Flag Day remained a state and local celebration.

In 1916, the anniversary of the Flag Resolution of 1777 became a nationally observed event through a Proclamation by President Woodrow Wilson. On August 3, 1949, an Act of Congress designated June 14th of each year as National Flag Day.

Today, Flag Day is celebrated with parades, essay contests, ceremonies, and picnics sponsored by veterans' groups, schools, and groups like the National Flag Day Foundation. The City of Rockville will celebrate Flag Day at the Washington-Rockville Elks Lodge #15, located at 5 Taft Court, Rockville. The ceremony is open to the public and will begin at 7pm on June 14, 2018.

Mayor and Council History

The Mayor and Council honor the Nation's flag every year with a proclamation and a Flag Day ceremony.

Public Notification and Engagement

The public is invited to attend the Elks Lodge Flag Day ceremony on June 14, 2018 at 7pm.

Attachments

Attachment 5.A.a: 2018 Flag Day Proclamation (PDF)


Kathleen Conway, City Clerk/Director of Council Operations 5/29/2018



WHEREAS, by resolution of the second Continental Congress dated June 14, 1777, the first official flag of the United States was adopted; and

WHEREAS, by Act of Congress dated August 3, 1949, June 14 of each year was designated as "National Flag Day;" and

WHEREAS, on December 8, 1982, the National Flag Day Foundation was chartered to conduct educational programs and to encourage all Americans to PAUSE FOR THE PLEDGE of Allegiance as part of National Flag Day ceremonies; and

WHEREAS, Flag Day celebrates our nation's symbol of unity, a democracy in a republic, and stands for our country's devotion to freedom and to equal rights for all.

NOW, THEREFORE, the Mayor and Council of Rockville do hereby proclaim June 14, 2018, as **FLAG DAY** and urge the Rockville community to pause at 7:00 p.m. on this date for the annual PAUSE FOR THE PLEDGE and recite with all Americans the Pledge of Allegiance to our Flag and Nation.



Bridget Donnell Newton
Bridget Donnell Newton, Mayor

Beryl L. Feinberg
Beryl L. Feinberg, Councilmember

Virginia D. Onley
Virginia D. Onley, Councilmember

Julie Palakovich Carr
Julie Palakovich Carr, Councilmember

Mark Pierzchala
Mark Pierzchala, Councilmember

June 4, 2018



Mayor & Council Meeting Date: June 4, 2018
 Agenda Item Type: Proclamation
 Department: City Clerk/Director of Council Operations Office
 Responsible Staff: Kathleen Conway

Subject

Proclamation Declaring June 11 - 17, 2018 as Men's Health Week

Recommendation

Staff recommends that the Mayor and Council read, approve, and present the Proclamation to Rockville resident Vincent Sabol, who works for the National Institutes of Health.

Discussion

Men's Health Week is celebrated each year during the week leading up to and including Father's Day, to honor the importance of the health and wellness of boys and men. Men's Health Week gives health care providers, public policy makers, the media, and individuals an opportunity to encourage men and boys to seek regular medical advice and early treatment for disease and injury.

National Men's Health Week is a special awareness period passed by Congress and signed into law by President Bill Clinton on May 31, 1994 and is now recognized internationally. The bills creating Men's Health Week were sponsored by former Senator Bob Dole and former Congressman Bill Richardson. To quote Congressman Bill Richardson (Congressional Record, H3905-H3906, May 24, 1994): "Recognizing and preventing men's health problems is not just a man's issue. Because of its impact on wives, mothers, daughters and sisters, men's health is truly a family issue."

This year, National Men's Health Week begins on June 11th and ends on Fathers' Day June 17th.

Mayor and Council History

This will be the third time this item has been brought before the Mayor and Council.

Public Notification and Engagement

Thousands of organizations across the country participate in National Men's Health Week activities to promote the health and wellness of men, boys, and their families. Additional information can be found at <http://menshealthnetwork.org/>.

Attachments

Attachment 5.B.a: 2018 Men's Health Week Proclamation (PDF)


Kathleen Conway, City Clerk/Director of Council Operations 5/30/2018



WHEREAS, despite advances in medical technology and research, men continue to live an average of five years less than women, with Native American and African-American men having the lowest life expectancy; and

WHEREAS, men who are educated about the value of preventative health and increase their awareness of the importance of a healthy lifestyle, regular exercise, and medical check-ups are more likely to participate in health screenings; and

WHEREAS, fathers who maintain a healthy lifestyle are role models for their children and have happier, healthier children; and

WHEREAS, the Men's Health Network worked with Congress to develop a national men's health awareness period as a special campaign to help educate men, boys, and their families about the importance of positive health attitudes and preventative health practices.

NOW, THEREFORE, the Mayor and Council of Rockville do hereby proclaim June 11-17, 2018, as Men's Health Week in the City of Rockville, and encourage all community members to pursue preventative health practices and early detection efforts.



Bridget Donnell Newton
Bridget Donnell Newton, Mayor

Beryl L. Feinberg
Beryl L. Feinberg, Councilmember

Virginia D. Onley
Virginia D. Onley, Councilmember

Julie Palakovich Carr
Julie Palakovich Carr, Councilmember

Mark Pierzchala
Mark Pierzchala, Councilmember

June 4, 2018



Mayor & Council Meeting Date: June 4, 2018

Agenda Item Type: Recognition

Department: City Clerk/Director of Council Operations Office

Responsible Staff: Kathleen Conway

Subject

Recognition of Exceptional Service Provided to the Fireside Park Apartments Community in Response to the Fire on February 2, 2018

Recommendation

Staff recommends that the Mayor and Council present Certificates of Recognition to the Rockville Volunteer Fire Department and Montgomery County Fire Department for providing exceptional service in response to the Fireside Park Apartments on February 2, 2018.

Discussion

Fireside Park Apartments is a 236-unit mixed income property with 50% affordable and 50% market rate units in the City of Rockville. On Friday, February 2, 2018, the Fireside Park Apartments experienced a devastating three-alarm fire. As many as 150 firefighters responded to the blaze on a day with high winds and very cold temperatures. Three buildings and 32 units were destroyed, resulting in the displacement of 27 Rockville families and about 60 people total.

Many groups and individuals responded to the fire and its aftermath, including assisting the displaced residents with temporary housing and locating alternate housing, coordinating community donations on behalf of the residents and arranging access to units for displaced families as soon as possible.

The Community responded to this devastating fire in multiple ways. The City of Rockville and the Mayor and Council thank each and every person who assisted during this time of need for the members of the Rockville Community. A listing of the many organizations and teams who took immediate action to help follows below. If we have missed anyone, it is truly not intentional.

- Rockville Volunteer Fire Department
- Montgomery County Fire Department

(The Rockville Volunteer Fire Department and Montgomery County Fire Department are receiving their Certificates of Recognition from the Mayor and Council at this evening's meeting.)

The following organizations and teams received Certificates of Recognition from the Mayor and Council at the April 30, 2018 Mayor and Council Meeting.

- Rockville City Police Department
- Montgomery County Police Department
- Rockville Department of Public Works team
- Rockville Housing Enterprises (RHE) Staff
- Rockville Housing Enterprises (RHE) Board
- Interfaith Works
- American Red Cross
- Richard Montgomery High School
- Community Ministries of Rockville
- Montgomery County Volunteer Center
- Rockville Community Services Division team
- Young Women of Society, Inc.


Kathleen Conway, City Clerk/Director of Council Operations 5/29/2018



Mayor & Council Meeting Date: June 4, 2018
 Agenda Item Type: Appointments & Announcement of Vacancies
 Department: City Clerk/Director of Council Operations Office
 Responsible Staff: Kathleen Conway

Subject

Boards and Commissions Appointments, Reappointments and Announcement of Vacancies

Recommendation

Recreation and Park Advisory Board

Eder Martinez: to appoint Eder Martinez to the Recreation and Park Advisory Board and serve as a member until June 1, 2021

Boards and Commissions Vacancies as of June 4, 2018

- 1 - Board of Appeals (Alternate)
- 1 - Cultural Arts Commission
- 1 - Planning Commission
- 1 - Senior Citizens Commission
- 1 - Traffic and Transportation Commission
- 2 - Financial Advisory Board
- 3 - Historic District Commission (2 Members and 1 Alternate)
- 3 - Human Rights Commission
- 3 - Human Services Advisory Commission (2 At-Large Representatives and 1 Caregiver Representative)
- 3 - Personnel Appeals Board
- 5 - Compensation Commission


Kathleen Conway, City Clerk/Director of Council Operations 5/29/2018



Mayor & Council Meeting Date: June 4, 2018

Agenda Item Type: Consent

Department: PW - Engineering

Responsible Staff: John W. Hollida

Subject

Approval to Extend Request for Proposal (RFP) 41-11 Contracts for Professional Engineering Services Related to the Assessment, Design for Repair And/Or Replacement, and Construction Inspection Services for City Bridges and Structures.

Recommendation

Staff recommends that the Mayor and Council approve an extension to RFP 41-11 Contracts for the four firms listed below for new tasks through December 31, 2018 with three additional 2-month extensions if needed, and for continuation of pre-existing tasks through June 30, 2020, on an as-needed basis in an aggregate amount not to exceed \$500,000, subject to Mayor and Council appropriation.

Discussion

These contract extensions and increase are needed to continue using the engineering consulting firms under Contract #41-11. These firms support implementing Rockville's Capital Improvements Program (CIP) and the major maintenance and repair programs within the operating budget to plan, design, improve, and maintain City bridges and structures.

These extensions and increase will be used to award new work and tasks in FY 2019 and to complete work and tasks in progress. This extension enables access to consulting firms, without interruption, until the next citywide consulting contract, RFP #18-18, is executed. Staff is currently reviewing RFP #18-18 proposals that were submitted in February 2018. Staff anticipates completing proposal evaluations, selecting consulting firms, and recommending award to the Mayor and Council in late fall 2018. Therefore, staff anticipates that the new contracts will be available for use by January 2019.

RFP #18-18 took longer than expected to finalize. The proposal process, method to evaluate the firms, and the method to award tasks under the future contract were completely overhauled. In prior similar RFPs, costs were evaluated at the same time as the technical information. For this RFP, the review will be a two-step process, with the technical merit considered first, and the cost considered and negotiated separately. This RFP also has a new process to evaluate and award tasks once the firms are under contract. Each task will be a mini-RFP where proposals are evaluated based upon some combination of experience, merit of submitted information, and

cost. As these are new concepts there was considerable discussion amongst staff, including the City Attorney's Office, to ensure both processes (award of contracts and award of individual task) are well thought out.

In the past, extensions for multi-year contracts of this type would have only been for one year to initiate work. However, current City practice now extends the contract for the full duration of the task to allow sufficient time for the consultant to complete their work. Past City practice allowed completion of tasks that were initiated during the valid contract period without extending the contract completion date. In some cases, this resulted in active work using contracts beyond their contract completion date. Extending these contracts through June 30, 2020, allows the work to be completed before the contract expires.

The Departments of Public Works and Recreation and Parks have successfully used requirement contracts since 2003 for professional architectural, engineering, planning, and related consulting services on an as-needed basis. A task order or on-call services contract of this type shortens the time it takes to begin design on CIP projects, planning projects, and major maintenance and repair projects in the operating budget. These consultants also are used to obtain professional services quickly on smaller projects that are typically initiated by inspection reports; or for urgent or critical and time-sensitive projects. There are four consultants available to provide services in the engineering services discipline for bridges/structures included in this contract. The service contracts do not obligate the City to a minimum purchase.

The following are the consultants listed under Contract #41-11, Professional Engineering Services; Bridges and Structures:

- Century Engineering, Inc.
- EBA Engineering, Inc. (formerly Kennedy Porter & Associates)
- Greenman-Pedersen, Inc. (formerly Nolan Associates)
- Wallace, Montgomery & Associates, L.L.P.

There are 20 long span vehicular bridges, 38 small structures, and 44 pedestrian bridges throughout the City. The engineering firms listed above provide bridge condition inspections for small structure and pedestrian bridges, as well as provide design and detailed technical specifications for the repairs and construction inspection services for all of Rockville's 102 bridges/structures.

Mayor and Council History

At the meeting on September 12, 2011, the Mayor and Council awarded RFP #41-11 to the various firms listed above in the aggregate amount not to exceed \$500,000 through June 30, 2012, with the option to renew for four additional one-year periods. At the meeting on March 14, 2016, the Mayor and Council awarded RFP #41-11 for an additional year in the aggregate amount not to exceed \$500,000. At the meeting on March 6, 2017, the Mayor and Council extended the contract on as needed basis for an additional \$750,000 through June 30, 2019, with no new tasks initiated after June 30, 2018.

Procurement

In accordance with Rockville City Code, Section 17-88, a non-competitive procurement can be made when the competitive procurement is contrary to the City's interest. In this case, it is in the City's interest to extend this contract to continue ongoing projects and implement new tasks in FY 2019 until the new requirements contract is in place. It is not feasible to complete the procurement process and establish contracts by July 1, 2018. The original #41-11 contract was competitively bid via the Request for Proposals (RFP) process. Rockville City Code, Section 17-86, titled Contract extensions could not be utilized, as this award is for more than one year and exceeds 25 percent of the total amount originally awarded.

Fiscal Impact

This contract is supported by funding in the Bridge Rehabilitation: FY16-FY20 CIP (project TB16); Hayes Forest Bridge Replacement CIP (project RF16); and the Recreation and Parks operating account 110-900-0101-0421. All future funding is subject to annual Mayor and Council appropriation.

Next Steps

The Procurement Division will issue Letters of Extension and/or any necessary contract amendments. Purchase orders will be issued as necessary to the various firms listed above.



Rob DiSpirito, City Manager

5/29/2018



Mayor & Council Meeting Date: June 4, 2018

Agenda Item Type: Consent

Department: PW - Engineering

Responsible Staff: John Scabis

Subject

Approval to Extend Request for Proposal (RFP) 12-12 Contracts for Professional Architectural, Engineering, and Other Related Services.

Recommendation

Staff recommends that the Mayor and Council approve an extension to RFP 12-12 Contracts for the various firms listed below for new tasks through December 31, 2018 with three additional 2-month extensions if needed, and for continuation of pre-existing tasks through June 30, 2022, on an as-needed basis in an aggregate amount not to exceed \$3,500,000, subject to Mayor and Council appropriation.

Discussion

These contract extensions and increase are needed to continue using the many architectural, engineering, and other related consulting firms under Contract #12-12. These firms support implementing Rockville's Capital Improvements Program (CIP) and the major maintenance and repair programs within the operating budget to plan, design, improve, and maintain City assets and infrastructure. These consultants also support the master planning process.

These extensions and increase will be used to award new work and tasks in FY 2019 and to complete work and tasks in progress. These extensions enable access to the many consulting firms, without interruption, until the next city-wide consulting contracts (RFPs#17-18 and #18-18) are executed. Staff is currently reviewing proposals that were submitted in February 2018. Staff anticipates completing proposal evaluations, selecting consulting firms, and recommending award of various consulting firms for RFPs#17-18 and #18-18 to the Mayor and Council in late fall 2018. Therefore, staff anticipates that the new contracts will be available for use by January 2019. The additional two-month extensions for Contract #12-12 will only be used if there are unexpected delays in awarding the new contract.

The RFPs for #17-18 and #18-18 took longer than expected to finalize. The proposal process, method to evaluate the firms, and the method to award tasks under the future contract were completely overhauled. In prior similar RFPs, costs were evaluated at the same time as the technical information. For these RFPs, the review will be a two-step process, with the technical

merit considered first, and the cost considered and negotiated separately. These RFPs also have a new process to evaluate and award tasks once the firms are under contract. Each task will be a mini-RFP where proposals are evaluated based upon some combination of experience, merit of submitted information, and cost. As these are new concepts, there was considerable discussion amongst staff, including the City Attorney's Office, to ensure both processes (award of contracts and award of individual task) are well thought out.

In the past, extensions for multi-year contracts of this type would have only been for one year to allow for the work to be awarded. Staff did not consider the amount of time needed to finish the tasks. Current City practice now extends the contract for the full duration of the task to allow sufficient time for the consultant to complete their work. Past City practice allowed completion of tasks that were initiated during the valid contract period without extending the contract completion date. In some cases, this resulted in active work using contracts beyond their contract completion date. Extending these contracts through June 30, 2022, allows the task order work to be completed before the contract expires.

The time extension through June 30, 2022, is based on the amount of time needed to design and construct a stream restoration project. The four-year extension represents two years for design and another two years for construction administration and inspection services, including quality assurance/quality control during construction. Stream restoration designs generally take two years due to the intensive community outreach, and subsequent State and federal permitting. Typical construction time frames are usually more than one year due to planting time frames and the stream work prohibition period of March 1 to June 15.

The Departments of Public Works, Recreation and Parks, and Community Planning and Development Services have successfully used requirement contracts since 2003 for professional architectural, engineering, planning, and related consulting services on an as-needed basis. A task order or on-call services contract of this type shortens the time it takes to begin design on CIP projects, planning projects, and major maintenance and repair projects in the operating budget. These consultants also are used to obtain professional services quickly on smaller projects that are typically initiated by citizen requests; or for urgent or critical and time-sensitive projects. There are multiple (generally three) consultants available to provide services in the 16 architectural, engineering, and related service disciplines included in this contract. The service contracts do not obligate the City to a minimum purchase.

The following is a list of contractors for Contract #12-12:

Category A – Architectural
(19 Proposals Received)

1. Buchart Horn, Inc.; Baltimore, MD
2. The Lukmire Partnership; Arlington, VA
3. Proffitt and Associates Architects; Frederick, MD
4. Wheeler Goodman Masek; Annapolis, MD

Category B – Mechanical, Electrical, Plumbing (MEP) Engineering
(21 Proposals Received)

1. Gipe Associates, Inc.; Baltimore, MD
2. RMF Engineering, Inc.; Baltimore, MD
3. URS Corporation; Hunt Valley, MD

Category C – Energy Management Services
(8 Proposals Received)

1. Gipe Associates, Inc.; Baltimore, MD
2. Setty & Associates; Fairfax, VA
3. Wiegand Associates, Inc.; Gaithersburg, MD

Category D – Civil and Site Engineering Services
(16 Proposals Received)

1. Rummel, Klepper and Kahl, LLP (RK&K); Baltimore, MD
2. URS Corporation; Hunt Valley, MD
3. Wallace, Montgomery and Associates, LLP; Towson, MD

Category E – Landscape Architect
(10 Proposals Received)

1. A. Morton Thomas and Associates, Inc.; Rockville, MD
2. Norton Land Design; Ashton, MD
3. URS Corporation; Hunt Valley, MD

Category F – Water Distribution System Analysis; Water Treatment Plant Analysis and Design (8 Proposals Received)

1. Hatch Mott MacDonald (HMM); Hunt Valley, MD
2. Hazen and Sawyer, PC; Fairfax, VA
3. Johnson Mirmiran and Thompson (JMT); Sparks, MD

Category G – Pipeline Condition Assessment
(3 Proposals Received)

1. Buchart Horn, Inc.; Baltimore, MD
2. Openaka - A Pure Technologies Company; Columbia, MD

Category H – Sewer System Analysis
(9 Proposals Received)

1. Gannett Fleming, Inc.; Baltimore, MD
2. Hazen and Sawyer, P.C.; Fairfax, VA
3. Johnson Mirmiran and Thompson (JMT); Sparks, MD

Category I – Stormwater Management and Ecological Services
(17 Proposals Received)

1. BayLand Consultants & Designers, Inc.; Hanover, MD

2. Biohabitats, Inc.; Baltimore, MD
3. McCormick Taylor; Baltimore, MD
4. URS Corporation; Germantown, MD

Category J – Traffic Engineering

(8 Proposals Received)

1. Sabra, Wang and Associates, Inc.; Baltimore, MD
2. Vanessa Hangen Brustlin, Inc. (VHB); Silver Spring, MD
3. Wallace, Montgomery & Associates, LLP (WMA); Towson, MD

Category K – Transportation Planning Services

(9 Proposals Received)

1. URS Corporation; Hunt Valley, MD
2. Vanasse Hangen Brustlin, Inc. (VHB); Silver Spring, MD

Category L – Geotechnical Engineering and Construction Support Services

(6 Proposals Received)

1. ECS Mid-Atlantic, Inc.; Frederick, MD
2. Robert B. Balter Company; Owings Mills, MD
3. Specialized Engineering; Frederick, MD

Category M – Surveying Services

(11 Proposals Received)

1. Charles P. Johnson & Associates, Inc.; Silver Spring, MD
2. KCI Technologies; Fulton, MD
3. Maddox Surveyors & Associates, Inc.; Rockville, MD

Category N – Environmental Engineering Services

(7 Proposals Received)

1. ECS Mid-Atlantic, LLC; Frederick, MD
2. KCI Technologies; Sparks, MD
3. URS Corporation; Germantown, MD

Category O – Environmental Program Support

(1 Proposal Received)

1. URS Corporation; Germantown, MD

Category P – Urban Planning and Development Review Services

(6 Proposals Received)

1. Environmental Resources Management (ERM); Annapolis, MD
2. Ferrell Madden; Washington, DC
3. Mahan Rykiel Associates, Inc.; Baltimore, MD
4. TischlerBise; Bethesda, MD

Mayor and Council History

At the meeting on May 21, 2012, the Mayor and Council awarded RFP #12-12 to the various firms listed above for \$8,000,000 to be used on an as needed basis through June 30, 2017. At the meeting on December 12, 2016, the Mayor and Council extended the contract on as-needed basis to the various firms listed above for an additional \$4,000,000 through June 30, 2021, (with no new tasks initiated after June 30, 2018).

Procurement

In accordance with Rockville City Code, Section 17-88, a non-competitive procurement can be made when the competitive procurement is contrary to the City's interest. In this case, it is in the City's interest to extend this contract to continue ongoing projects and implement new tasks in FY 2019 until the new requirements contracts are in place. It is not feasible to complete the procurement process and establish contracts for the 16 categories of work by July 1, 2018. The original Contract #12-12 was competitively bid via the Request for Proposals (RFP) process. Rockville City Code, Section 17-86, titled Contract Extensions could not be utilized, as this award is for more than one year and exceeds 25 percent of the total amount originally awarded.

Fiscal Impact

Below is a list of CIP projects and operating accounts that likely will use architectural, engineering, and related services from this contract. This is merely a representative list of projects, which demonstrates the variety and extent of uses for these services. Services can be used for additional projects and accounts not listed herein. All funding is subject to Mayor and Council appropriation.

CIP Project	CIP Account
Dogwood Park Renovation	420-900-RD16
Isreal Park Shelter Replacement	420-900-RA17
Maintenance and Emergency Operations Facility Improve.	420-900-GE19
Bridge Rehabilitation: FY16-FY20	420-850-TB16
Pedestrian and Bicycle Safety	420-850-4B71
Storm Drain Rehab & Improvement: FY16-FY20	330-850-SA16
Stream Restoration: Croydon Creek/Calvin Park Tributary	330-850-SB16
SWM Facilities Improvement: FY16-FY20	330-850-SE16
Water Treatment Plant Raw Water Infrastructure Protect.	210-850-UA19
Water Treatment Plant Safety Improvements	210-850-UB19

Operating Budget	Operating Account
Facilities (Contract Services-Building)	110-900-8511-0230
Parks (Contract Services-Parks West)	110-900-7530-0231

Parks (Contract Services-Parks East)	110-900-7532-0231
Parks (Contract Services-Horticulture)	110-900-7522-0231
Parks (Contract Services-Parks ROW)	110-900-7533-0231
Public Works (Engineering-Water Fund)	210-850-3305-0201
Public Works (Engineering-Sewer Fund)	220-850-3305-0201
Public Works (Environmental Management-SWM Fund)	330-850-9401-0201
Public Works (Traffic & Transportation)	110-850-0403-0201
Public Works (Construction Management)	110-850-0201-0201

Next Steps

The Procurement Division will issue Letters of Extension and/or any necessary contract amendments. Purchase orders will be issued as necessary to the various firms listed in the "Discussion" section.



Rob DiSpirito, City Manager

5/29/2018



Mayor & Council Meeting Date: June 4, 2018
Agenda Item Type: Consent
Department: City Clerk/Director of Council Operations Office
Responsible Staff: Kathleen Conway

Subject

Approval of Minutes

Recommendation

Staff recommends the Mayor and Council approve the following minutes:

May 2, 2018 Walking Town Meeting Rockshire
November 11-12, 2016 Closed Session Summaries and Closed Session Confidential Minutes
September 26, 2016 Open Session Minutes
September 26, 2016 Closed Session Minutes


Kathleen Conway, City Clerk/Director of Council Operations 5/30/2018



Mayor & Council Meeting Date: June 4, 2018
Agenda Item Type: Public Hearing
Department: PW - Traffic & Transportation
Responsible Staff: Oleg Kotov

Subject

Public Hearing for an Abandonment of a 0.03-Acre Portion of Halpine Road Right-Of-Way

Recommendation

Hold Public Hearing.

Discussion

City staff received a Street Closing and Abandonment application to abandon a small section of public right-of-way; 0.03 acre (approximately 1,253 square feet) on Halpine Avenue in the northwest quadrant of the intersection of Halpine Road and Chapman Avenue. (Attachment A)

The subject right-of-way is being requested as a part of the Twinbrook Quarter (1500-1616 Rockville Pike) redevelopment project, consisting of approximately 18-acres of mixed residential, retail and office use. The applicant (B.F. Saul Company) is requesting that the subject right-of-way be abandoned because it serves no current public use and, with the development of the land surrounding it, will serve no purpose as public right-of-way in the future either.

Mayor and Council History

The proposed Street Closing and Abandonment application was presented at the May 7, 2018 Mayor and Council meeting.

Public Notification and Engagement

Notification letters were sent to utility companies and adjacent property owners. Public Hearing was advertised in the Washington Post.

Next Steps

Staff recommends that the public hearing record be held open until close of business on Monday, June 11. Discussion, Instruction, and Possible Adoption of the Abandonment will be scheduled for the Mayor and Council meeting on June 18.



Rob DiSpirito, City Manager

5/30/2018



Mayor & Council Meeting Date: June 4, 2018
 Agenda Item Type: Presentation
 Department: Finance
 Responsible Staff: Mary Sue Martin

Subject

Third Quarter FY 2018 Financial Report

Recommendation

Staff recommends that the Mayor and Council review the Third Quarter FY 2018 Financial report.

Discussion

The attached report summarizes the adopted and amended budgets with actual revenues and expenditures for the third quarter of FY 2018 (January 1 – March 31, 2018) for the General, Water, Sewer, Refuse, Stormwater Management, and Parking Funds. Figures from the same time period last fiscal year are shown for comparison.

Mayor and Council History

In accordance with the City's Financial Management Policies, staff prepares a report comparing actual revenues and expenditures with budgeted amounts quarterly. The first FY 2018 Quarterly Financial Report was presented on November 13, 2017. The second FY 2018 Quarterly Financial Report was included in the Mayor and Council's March 19, 2018 meeting materials, but not formally presented due to time constraints at that meeting.

Attachments

Attachment 13.a: 3Q FY18 Financial Report (PDF)

Rob DiSpirito, City Manager

5/8/2018



Third Quarter FY 2018 Financial Report

GENERAL FUND	Category	Current Year (in thousands)				Prior Yr. (in thousands)		
		FY18 Adp.	FY18 Amd.	Actual 3/31/18	% Amd.	FY17 Actual	Actual 3/31/17	% Act.
	Revenue							
	Property Taxes	40,867	41,467	40,803	98%	40,106	39,442	98%
	From Other Gov't.	19,864	20,314	13,544	67%	20,599	13,121	64%
	Fines /Forfeitures	1,243	1,243	1,035	83%	1,267	921	73%
	Use of Money/Property	1,302	1,302	851	65%	1,442	645	45%
	Charges for Services	6,763	6,783	5,694	84%	6,817	4,969	73%
	Licenses/Permits	2,875	2,875	2,092	73%	2,927	2,260	77%
	Other Revenue	6,775	7,129	5,227	73%	6,725	4,883	73%
Total Revenue (\$)		79,690	81,113	69,247	85%	79,883	66,240	83%
Expenditures								
Personnel	48,842	48,936	35,644	73%	45,793	34,143	75%	
Operating	13,692	13,927	8,561	61%	12,681	8,193	65%	
Capital Outlay	2,429	2,989	1,087	36%	2,665	1,190	45%	
Other	1,881	1,902	1,203	63%	3,040	1,570	52%	
CIP Transfer	6,600	11,500	4,950	43%	12,115	8,733	72%	
Transfers Out	6,246	6,246	4,685	75%	6,229	4,672	75%	
Total Expenditures (\$)		79,690	85,500	56,129	66%	82,523	58,501	71%

General Fund Summary

General Fund revenues remain above targets and are expected to exceed the amended budget.

Staff anticipates operating savings due to lower than planned electricity usage and costs and general underspending on supplies and services.

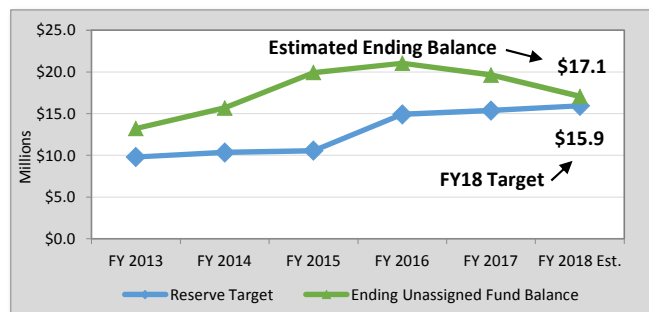
The amended CIP transfer includes a large addition from the February budget amendment for several Recreation and Parks program area projects. That additional transfer amount will be processed in the 4Q.

General Fund Unassigned Fund Balance

The estimated ending FY18 unassigned fund balance equals \$17.1 million. This estimate includes an addition to fund balance of \$1.5 million due to strong revenues and operating savings, of which \$0.4 million will be committed to fund a retiree COLA in FY19.

City Manager Contingency Status

Per the City's Financial Management Policies, contingency funds are available for unanticipated, unbudgeted expenditures of a non-recurring nature and/or unexpected cost increases.

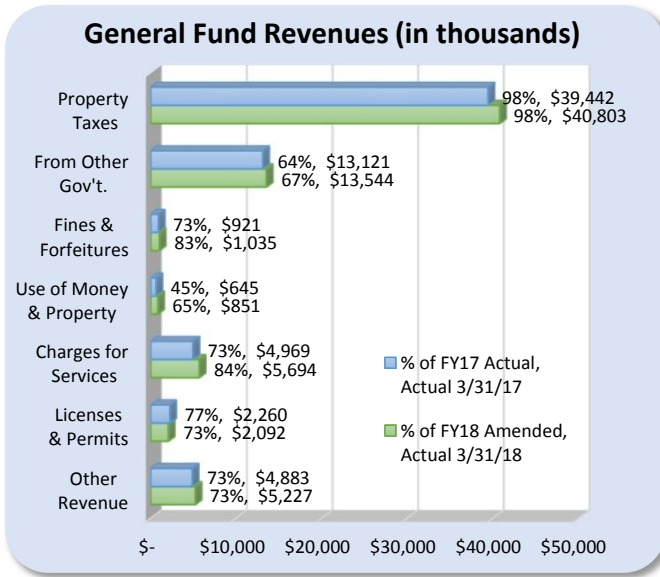


City Manager Contingency Usage through 3Q	Amount
Adopted FY18 City Manager Contingency	350,000
Temp staffing for Skate Park	(20,000)
Brick repair work at Chestnut Lodge	(12,174)
Netting extension at RedGate Golf Course	(18,700)
Replacement security equipment, Rockcrest Ballet Ctr.	(7,461)
Impact fee study (parkland acquisition)	(5,000)
Police staffing study	(58,100)
Temp staffing for IT	(19,300)
IT consulting services	(81,800)
Emergency water pipe repair, Swim Center	(8,400)
King Farm Farmstead utility study	(2,770)
Expanded Town Square concert series	(16,500)
Peace Day funding	(2,900)
Legal fees related to sign ordinance	(40,000)
Repair related to prior City infrastructure installation	(17,500)
Temp staffing for CC/DCO office	(19,395)
FY18 Contingency Remaining (\$)	20,000

Unspent Personnel Funds

Unspent funds related to vacant General Fund positions are tracked and reported quarterly, along with any uses of these funds. In addition to vacancy-related costs, these funds can be used for weather-related needs such as snow removal or for special projects approved by the City Manager and/or Mayor and Council.

Unspent Personnel Funds	3Q Only	YTD FY18
Gross unspent funds from vacancies:	296,097	985,027
Less vacancy-related costs	(114,547)	(260,077)
Net Unspent Funds	181,550	724,950
Uses of Net Unspent Funds		
CM recruitment, relocation	(6,915)	(6,915)
CM recruitment, temp. housing	(12,500)	(12,500)
Police Chief recruitment	-	(24,500)
CPDS Director recruitment	(20,800)	(20,800)
Net Unspent Funds Remaining (\$)	141,335	660,235



General Fund Revenues by Category

Property Taxes totaled \$40.8 million for 3Q, or 98% of the amended budget. The majority of property tax revenue is received in 2Q. Personal property tax revenue estimates were increased on the February budget amendment by \$600,000.

Revenue **From Other Governments** totaled \$13.5 million for 3Q. The largest revenue source within this category is income tax, which totaled \$8 million for 3Q, compared with \$7.5 million in FY17. Income tax estimates were increased on the February budget amendment by \$420,000.

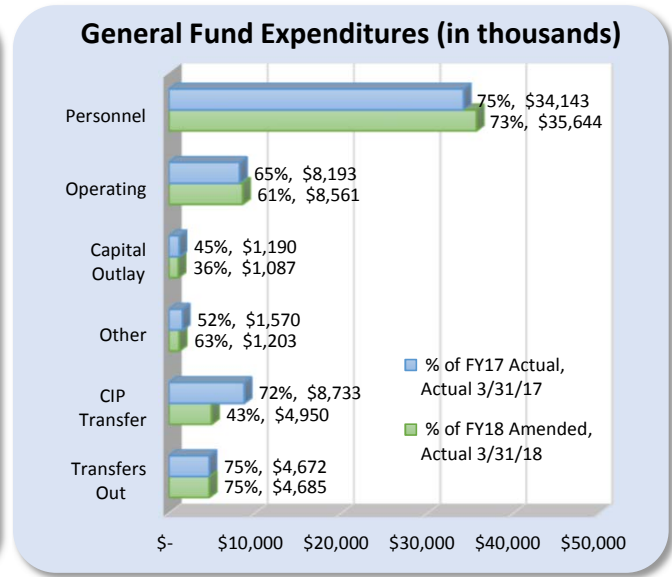
Revenue from **Fines & Forfeitures** totaled \$1 million for 3Q. Revenue from redlight camera citations, which is 13% higher than 3Q FY17, makes up the largest portion of this category.

Use of Money & Property revenue totaled \$0.9 million for 3Q. This category includes interest earnings, which have increased 130% compared to the same time period in FY17.

Charges for Services revenue totaled \$5.7 million for 3Q, up from \$5 million in FY17 primarily due to increases in revenue from public works permits.

Licenses & Permits revenue totaled \$2.1 million for 3Q, compared to \$2.3 million in FY17. This apparent decrease is due to the timing of rental license payments, as some larger payments were received after the close of the 3Q. This revenue source is on track to meet budgeted estimates.

Other Revenue totaled \$5.2 million in 3Q, compared with \$4.9 million in FY17. The largest difference in this category from FY17 to FY18 is the receipt of \$0.3 million associated with the Ingleside at King Farm conduit bond issue in FY18.



General Fund Expenditures by Category

Total **Personnel** spending totaled \$35.6 million through 3Q, or 73% of the amended personnel budget.

Operating expenditures totaled \$8.6 million in 3Q. This category includes contractual services, utilities, and supplies. Electricity spending is down 10% compared to FY17. As a result of lower usage and revised rate projections from the City's utility consultant, staff have reduced FY19 electricity estimates from the originally proposed amounts.

Capital Outlay expenditures totaled \$1.1 million for 3Q. This funding covers one-time equipment purchases including vehicle replacements, and varies from year to year based on needs and replacement schedules. Because of the long lead times for many vehicle purchases, it is not uncommon to see the bulk of the spending occur at the end of the year.

Other expenditures totaled \$1.2 million for 3Q. The majority of this category is made up of grant funding the City provides to caregiver and outside agencies.

The **CIP Transfer** totaled \$5 million for 3Q. This category is expended quarterly based on the amended budget. Because of the timing of the 3Q budget amendment, the remaining CIP transfer amount will be processed in the 4Q transfer.

The **Transfers Out** category totaled \$4.7 million for 3Q. This category is expended quarterly based on the amended budget, and includes transfers to the Parking, Debt Service, Refuse (for RHE refuse bills), and Special Activities funds.

WATER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY18	FY18	Actual	%	FY17	Actual	%
	Adp.	Amd.	3/31/18	Amd.	Actual	3/31/17	Act.
Total Revenue (\$)	13,261	13,261	7,497	57%	13,105	8,300	63%
<i>Expenses</i>							
Personnel	3,568	3,568	2,730	77%	3,439	2,561	74%
Operating	2,084	2,105	1,277	61%	2,162	1,532	71%
Capital Outlay ¹	281	281	77	27%	93	73	79%
Admin/Other/Interest	5,943	5,943	1,715	29%	5,713	1,578	28%
Total Expenses (\$)	11,876	11,897	5,800	49%	11,406	5,744	50%

Revenue appears low until the end of the year due to the timing of the receipt of quarterly bill payments.

A large portion of Water Fund spending occurs in the CIP. The Mayor and Council received the results of the most recent utility rate study in December 2017. The study produced recommended rates to bring the Water Fund into compliance with the City's Financial Management Policies by FY21.

SEWER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY18	FY18	Actual	%	FY17	Actual	%
	Adp.	Amd.	3/31/18	Amd.	Actual	3/31/17	Act.
Total Revenue (\$)	13,611	13,611	7,850	58%	12,621	7,630	60%
<i>Expenses</i>							
Personnel	1,900	1,900	1,398	74%	1,865	1,381	74%
Operating	3,882	3,884	2,552	66%	3,323	2,200	66%
Capital Outlay ¹	21	21	14	67%	235	230	98%
Admin/Other/Interest	7,351	7,351	1,745	24%	6,868	1,504	22%
Total Expenses (\$)	13,153	13,156	5,709	43%	12,291	5,314	43%

Revenue appears low until the end of the year due to the timing of the receipt of quarterly bill payments.

A large portion of Sewer Fund spending occurs in the CIP. The Mayor and Council received the results of the most recent utility rate study in December 2017. The study produced recommended rates to bring the Sewer Fund into compliance with the City's Financial Management Policies by FY23.

REFUSE FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY18	FY18	Actual	%	FY17	Actual	%
	Adp.	Amd.	3/31/18	Amd.	Actual	3/31/17	Act.
Total Revenue (\$)	6,187	6,424	6,259	97%	6,226	5,971	96%
<i>Expenses</i>							
Personnel	2,753	2,753	1,934	70%	2,550	1,873	73%
Operating	2,041	2,278	1,156	51%	1,709	1,077	63%
Capital Outlay ¹	295	727	313	43%	352	295	84%
Admin/Other/Interest	2,058	2,058	1,267	62%	1,975	1,239	63%
Total Expenses (\$)	7,148	7,816	4,671	60%	6,586	4,483	68%

The Refuse Fund encountered operational changes during FY18 that necessitated new contracts for both processing and hauling of recyclable materials. Staff is reviewing the impacts these new contracts will have on the Fund, and will incorporate any known impacts into the five year forecast and future rate setting of the Fund.

¹Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The City's financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.

SWM FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY18	FY18	Actual	%	FY17	Actual	%
	Adp.	Amd.	3/31/18	Amd.	Actual	3/31/17	Act.
Total Revenue (\$)	5,465	5,465	5,395	99%	5,873	5,448	93%
<i>Expenses</i>							
Personnel	2,295	2,295	1,662	72%	2,134	1,581	74%
Operating	745	772	372	48%	631	364	58%
Capital Outlay ¹	0	0	0	0%	159	137	87%
Admin/Other/Interest	1,858	1,858	699	38%	1,593	647	41%
Total Expenses (\$)	4,897	4,924	2,733	56%	4,517	2,729	60%

The SWM utility fee is collected through property tax bills, with the majority of the revenue being received in 2Q.

A large portion of SWM Fund spending occurs in the CIP. The accumulated balance of revenues in excess of expenses fund SWM CIP projects.

PARKING FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY18	FY18	Actual	%	FY17	Actual	%
	Adp.	Amd.	3/31/18	Amd.	Actual	3/31/17	Act.
Total Revenue (\$)	2,522	2,522	1,835	73%	2,256	1,743	77%
<i>Expenses</i>							
Personnel	306	306	217	71%	248	192	77%
Operating	114	114	39	34%	73	44	59%
Capital Outlay ¹	0	9	9	100%	25	0	0%
Admin/Other/Interest	1,669	1,669	758	45%	1,729	649	38%
Total Expenses (\$)	2,089	2,098	1,023	49%	2,075	885	43%

Revenue from parking meter violations through 3Q increased compared to the same period last year, but still only totaled 50% of budgeted revenue. This revenue source has declined since patrons have been able to pay for parking using mobile devices.

Starting in FY19, the General Fund subsidy will increase to \$1.1 million to offset the decrease in citation revenues.

Capital Improvements Program (CIP) Transfers, All Funds

The City's Financial Management Policies allow the City Manager to approve transfers of unspent project appropriations between capital projects within the same fund. These transfers will always net to zero, as any change in total appropriation by fund must be approved by the Mayor and Council through an appropriations ordinance. Any transfers between projects during the reporting period are shown below.

3Q CIP Transfers	Amount (\$)	Fund	Reason for Transfer
There were no CIP transfers in 3Q FY18.	-		

¹Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The City's financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.



Mayor & Council Meeting Date: June 4, 2018

Agenda Item Type: Approval

Department: Community Planning & Development Services

Responsible Staff: Asmara Habte

Subject

Approval of Modifications to the Moderately-Priced Dwelling Unit (MPDU) Regulations

Recommendation

Staff recommends that the Mayor and Council approve the MPDU regulations as amended.

Discussion

Executive Summary

The Mayor and Council have identified the expansion of affordable housing opportunities and preservation of affordable housing as one of their top priorities. In response, staff developed a series of presentations and work sessions to discuss affordable housing, and to develop strategies to address the City's housing needs. As a result, staff proposes changes to the regulations that govern the City's Moderately-Priced Dwelling Units (MPDU) program for discussion and consideration. The changes relate to two specific items: 1) expansion of the income limits, up to 120% of Area Median Income (AMI); and 2) modifying the rent calculation methodology whereby rents are calculated to be affordable to a wider income band.

Background

Modeled after the Montgomery County program, the City of Rockville's MPDU program is a housing program in which the rental rates and purchase prices for designated units are below market rate levels.

Established in 1990, the MPDU program requires that either 12.5% or 15% of all new residential developments with 50 or more dwelling units be designated as moderately priced units. Developments in the MXTD and MXCD Zones are required to designate 15% of the total dwelling units as MPDUs, while developments in other zoning districts are required to have 12.5% of the total dwelling units as MPDUs. To date, the program has generated approximately 660 rental units and 420 homeownership units throughout the City. The dwelling units have an affordability restriction period of 30 years, meaning that the dwelling units must remain affordable for 30 years following initial occupancy, effectuated through the recordation of a

Declaration of Covenants. The Declaration of Covenants runs with the land and the property remains subject to the covenants regardless of subsequent sales transactions or transfers.¹

The MPDU rent calculation methodology is set forth in the MPDU regulations and is calculated annually. The rent calculation is based on 30% of gross income, at 60% of AMI (AMI).² For example, for a one-person household, 30% of income at 60% of AMI equates to \$13,890 annually, or \$1,158 monthly.³ As such, for a one-person household whose annual income is at 60% of AMI, or \$46,300, a monthly rent amount of \$1,158 (including utilities) is the affordable rent, representing 30% of the gross income and the threshold of affordability.

While the MPDU program is currently open to individuals whose earnings are between about 30% and 60% of AMI, the rent structure, per the MPDU ordinance and regulations, makes the MPDU rent affordable only to those with income levels closer to 60% of AMI. Utilizing the example above, a one-person household whose annual income is below \$46,300, or 60% of AMI, the MPDU rent (as established by the regulations) of \$1,158 would be a cost overburden, as the individual would be paying a rent amount that is greater than 30% of their gross monthly income.

Households with annual incomes exceeding 60% of AMI are not eligible for the MPDU program, despite the demand for housing that is affordable for those households above 60% of AMI.

Below are the current MPDU income limits by household size and rent amounts by bedroom count:

City of Rockville MPDU Income Limits-2017

HH Size	Minimum Income	Maximum Income Limit
1	22,000	46,300
2	22,000	52,900
3	22,000	59,600
4	22,000	66,200

City of Rockville MPDU Rents-2017⁴

Bedroom Count	Monthly Rent
studio/0	965
1	1,105
2	1,240

¹ There are foreclosure provisions in the MPDU Ordinance that require the release of the Declaration of Covenants upon certain conditions being met, including a payment to the City's Housing Opportunities Fund of excess sales proceeds from a foreclosure sale.

² While the calculation of rental rates is based on the HUD AMI for a family of four, which is currently \$110,300, the formula to determine the rental rates that is contained in the MPDU regulations does provide a "Family Size Factor" to adjust the rental rates based on family size and the type of unit being rented.

³ This calculation is adjusted for family size in accordance with the formula contained in the MPDU regulations.

⁴ These rents are calculated at 25% of AMI to account for tenant-paid utilities. If utilities are paid by the landlord, the rent would be adjusted upward by an additional 5%.

3

1,380

Proposed Changes

In August 2016, the Mayor and Council adopted the Rockville Pike Neighborhood Plan. The Mayor and Council then authorized the filing of a Zoning Text Amendment in July 2017 and a Sectional Map Amendment in August 2017 to implement the plan.

During the discussion leading to adoption of the zoning text amendment, the Mayor and Council expressed interest in expanding the City's MPDU program, or creating a new provision for "workforce housing." This discussion occurred in the context of "Champion Projects," where one of the goals is to provide more housing, and specifically more affordable housing, near the Twinbrook Metro Station in exchange for certain development incentives. Staff views the lack of "workforce housing" as an issue that is broader than the southern portion of the Rockville Pike planning area where "Champion Projects" may be located. As such, staff recommended the workforce housing definition and any subsequent program be considered for citywide applicability like the MPDU program.

To that end, staff proposed a definition and income range of 30% to 120% of the AMI as the income band for workforce housing units that should be required in future development projects. At the same time, staff also proposed a modification to the rent calculation methodology, so that a wide range of incomes and corresponding affordable rents could allow for affordable housing options to a wider spectrum of incomes.

In a subsequent work session held in November 2017, Mayor and Council provided staff with direction to proceed with revising the MPDU Ordinance and the related Regulations on the rental component of the program. As follow-up to the November 2017 work session, staff is presenting only modifications to the regulations, as amendments to the MPDU Ordinance are not needed to effect the proposed changes.

Approach for the City of Rockville

Nationwide, communities employ a variation of income limits and rent calculations aimed at meeting affordability needs, but no one community's approach is a panacea. Even the District of Columbia, with the widest income band range of 30% to 120% of AMI, still cannot, without massive public subsidy, address all its affordable housing needs. The lower the income, the more acute the housing needs. For example, a large-scale mixed-use transit-oriented development project may have a hotel, retail, and office space along with residential units. The ecosystem and individuals who support the uses in the development—hotel concierge desk staff, the cashier who will serve shoppers, the front desk person who will answer the phones at the office buildings, etc. – all have a demand for housing they can afford within that ecosystem, which could be addressed, at least minimally, through a comprehensive housing program with a wide spectrum of income ranges and applicable rent levels supportable by the income levels, representing a mix of incomes and workers.

For the City of Rockville, an income range of 30% to 120% of AMI would reach a wider range of incomes and a more diverse worker population when compared to the current program. Under this income range and the corresponding rent calculation methodology, a set-aside of units that are affordable to a wider range of incomes and workers would occur. The income range would cover a wide spectrum of workers with wages starting as low as \$11.14 per hour for a four-person household (or approximately \$33,100 annual income), to \$63.63 per hour for a household size of four persons (or approximately \$132,400 annual income). The idea is that some lower wage workers (i.e. retail and restaurant workers, bank tellers, etc.) who support the residents and businesses of the community, would at least have an opportunity to live in the same immediate community in which they work. The rents for the set-aside units would be varied, as they would be calculated at 30% of income at each income band level, ranging from \$620 (excluding utilities) for a three-bedroom apartment for the lowest (30% of AMI) earner four-person household, to \$2,480 for a two bedroom for the highest (120% of AMI) earner four-person household.

New units created under these income ranges would be tiered so that a certain number of units are set-aside for a designated income band with corresponding rent levels affordable at that specific income band. The tiering and set-aside of units at various income ranges would be negotiated by staff for approval through the current review process, and would be memorialized in the Declaration of Covenants that is executed and recorded before the issuance of building permits.

Mayor and Council History

The Mayor and Council discussed workforce housing at the work session of November 20, 2017. This is part of the ongoing affordable housing discussion with Mayor and Council. The Mayor and Council discussed the proposed changes at the March 19, 2018 Mayor and Council meeting, and directed staff to bring back the recommended changes for approval.

Boards and Commissions Review

Staff invited the RHE Board and RHE staff to attend this meeting. Staff has also notified the staff liaisons for the Human Rights Commission and Human Services Advisory Board about the Mayor and Council meeting.

Next Steps

If the Mayor and Council approve the changes, the next steps would include promulgating the regulations as amended.

Attachments

- Attachment 14.a: Income_Rent_30% to 120% of AMI (PDF)
- Attachment 14.b: MPDU Regulations (redline 5-29-18) (DOCX)



Rob DiSpirito, City Manager

5/30/2018

Maximum Household Incomes*

Household Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
1	23,200	30,900	38,600	46,300	54,000	61,800	69,500
2	26,500	35,300	44,100	52,900	61,800	70,600	79,400
3	29,800	39,700	49,600	59,600	69,500	79,400	89,300
4	33,100	44,100	55,200	66,200	77,200	88,200	99,300
5+	35,700	47,600	59,600	71,500	83,400	95,300	107,200

* Based on 2017 HUD's income data. It is anticipated that HUD will release its new income data over the next :

Maximum Allowable Rents*

# of Bedrooms	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	90% of AMI
Studio	485	645	805	965	1,125	1,285	1,450
1	550	735	920	1,105	1,285	1,470	1,655
2	620	825	1,035	1,240	1,450	1,655	1,860
3	690	920	1,150	1,380	1,610	1,840	2,070

* calculated at 25% of income to account for tenant paid utilities.

City of Rockville, CPDS, 2018.

100% of AMI	110% of AMI	120% of AMI
77,200	84,900	92,700
88,200	97,100	105,900
99,300	109,200	119,100
110,300	121,300	132,400
119,100	131,000	142,900

several months.

100% of AMI	110% of AMI	120% of AMI
1,610	1,770	1,930
1,840	2,020	2,205
2,070	2,275	2,480
2,300	2,530	2,760

MODERATELY PRICED HOUSING REGULATIONS



City of Rockville
Department of Community Planning and
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Rockville, Maryland 20850-2364
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Fax: 240-314-8210
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Revision History

Date	Revision
February 13, 2001	Original MPDU Regulations
March 30, 2014	Section 5 revised to accommodate senior housing with services

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SECTION 1.

A. Purpose

To provide policies and procedures for the administration of the Moderately Priced Housing Ordinance.

B. Addresses and Staff

For further information or to receive a copy of this regulation, contact the Department of Community Planning and Development Services (CPDS), 240-314-8200, or write to CPDS, City Hall, 111 Maryland Avenue, Rockville, Maryland, 20850 or cpds@rockvillemd.gov.

SECTION 2. APPLICABILITY

These policies and procedures are applicable to dwelling units built, sold or leased through the Moderately Priced Housing Program and to those people applying for eligibility for purchase or lease of such dwelling units.

SECTION 3. DEFINITIONS

The following words and phrases as used in this regulation have the meanings stated below:

A. Certificate of Eligibility

A certificate, which is valid for a specified period of time, issued by the Community Planning and Development Services Department (CPDS) to those people who meet the income requirement for eligibility for participation in the moderately priced housing program and are placed on the eligibility list maintained by the Community Planning and Development Services Department (CPDS).

B. Housing Agency

A provider designated by the Mayor and Council, which has purchased a moderately priced dwelling unit in accordance with the allocation provided in the Moderately Priced Housing Ordinance.

C. Moderately Priced Housing Ordinance

Chapter 13.5 of the Rockville City Code, as amended.

D. Priority Marketing Period

The period during which eligible persons or households have an exclusive right to purchase or rent an MPDU from the applicant. The period may not be less than ninety days and may be extended for an additional time to permit eligible persons who have indicated an interest in the MPDUs to acquire or rent the units.

SECTION 4. ELIGIBILITY AND OCCUPANCY REQUIREMENTS

A. Application and Certification

A person seeking to purchase or rent Moderately Priced Dwelling Units (MPDUs) must apply to the Community Planning and Development Services Department (CPDS) for placement on the eligibility list maintained by that department. In order to become eligible under this program, an interested person must satisfy the maximum MPDU income limits published in executive regulations. It is the responsibility of the individual or family to demonstrate eligibility under the requirements of the MPDU Program. In order to verify that an individual or family satisfies these requirements, the CPDS may request information and documentation that is appropriate, including but not limited to copies of Federal and State income tax returns, W-2 forms, and copies of paychecks.

Those applicants interested in purchasing an MPDU must also provide a copy of a recent credit report. A copy of a credit report can be obtained from Equifax (1-800-685-1111), Experian (1-888-397-3742) or Trans Union Corporation (1-800-916-8800).

A person determined to be eligible is placed on the eligibility list and is issued a non-transferable certificate valid for a specified period of time, usually one year. This certificate is used to demonstrate eligibility for the purchase or lease of available MPDUs. When developers or builders offer new MPDUs, certificate holders are notified by the developer or builder of the availability of units with sufficient bedrooms to satisfy their needs. Certificate holders have the opportunity to purchase or lease the available MPDUs. Those who contract for an MPDU are required to turn in their eligibility certificates to the builder or developer who will submit these certificates to the CPDS along with copies of the sales contracts and settlement sheets, or rental contracts as appropriate.

Eligibility certificates may be renewed upon expiration if the person can demonstrate eligibility under the income limits in effect at the time of renewal. The individual must apply for renewal of the certification.

B. Income

The maximum permitted moderate income is defined as the gross income received annually from all sources by all wage earners in a family or household unit. Sources of income include, but are not necessarily limited to, the following:

1. Wages and salary (full and part-time employment)
2. Child support
3. Alimony
4. Interest on savings and checking accounts
5. Dividends from stocks, bonds, and certificates of deposit
6. Social security benefits
7. V.A. benefits
8. Overtime and bonus payments
9. Unemployment insurance
10. Pension/retirement payments
11. Disability payments
12. Any other annuities or stipends received
13. Income from real estate investments (losses generated from investments in real estate will not be used reduce gross annual income)

14. Income from business or partnership owned, associated with, or operated.

15. Welfare - AFDC payments (including money received pursuant to the Temporary Assistance for Needy Families program, but excluding "food stamps").

15.16. Monetary gifts

When the requirement to provide moderately priced housing is met through the construction of public housing or through housing built under other Federal, State, or local programs to assist low and moderate income families, the income limits of the appropriate program shall prevail.

C. Occupancy of MPDUs

Purchasers or renters of MPDUs must occupy the units as their primary place of residence and must sign an affidavit certifying to their occupancy of the unit.

D. Rental of Units Previously Sold Under the MPDU Program

1. Owners of MPDUs, except a housing agency, are not permitted to vacate and lease MPDUs to other parties without a prior written waiver. The owner must demonstrate sufficient cause to the City Manager to allow a waiver to be issued. The following procedures govern the requests for waivers:
 - a. MPDU owners must prove that they are forced to temporarily vacate and rent their unit due to circumstances beyond their control. The fact that there might be a loss of appreciation resulting from the prohibition to rent and having to sell the MPDU does not constitute an economic hardship.
 - b. Owners must certify that they will reoccupy their MPDU no later than 24 months from the date the unit is first rented.
 - c. If not satisfied after a determination by the City Manager or the designee, the owner has the right of appeal to the Board of Appeals in accordance with Section 13.5-12 of the Moderately Priced Housing Ordinance.
2. If the request to temporarily rent is granted, the following procedures are followed to establish the maximum allowable rent:
 - a. The owner must request a rental rate determination in writing from the CPDS and provide the information required by the CPDS to carry out the rental rate determination described in 2(b).
 - b. The CPDS must make a rental rate determination which will be equal to the fixed costs associated with maintaining the unit, including but not necessarily limited to principal and interest payments on the mortgage, real estate taxes, homeowners' insurance, water/sewer front foot benefit and deferred connection charges, and homeowners' association fees. Appropriate allowances will be made if the owner retains responsibility for the payment of some or all of the utility charges. In such an event, a record of prior monthly utility expenses must be submitted so that an allowance for these charges can be included in the rental rate determination.
3. Additional requirements for rental of MPDUs previously sold are as follows:
 - a. The owner must send a copy of the lease agreement and the name of the managing agent to the CPDS.
 - b. Each rental request will be judged on its own merit and every effort will be made to limit such rentals.

SECTION 5. STANDARDS FOR MPDU DEVELOPERS AND BUILDERS

A. Number of MPDUs Required

Chapter 13.5 of the Rockville City Code requires that a minimum percentage of the dwelling units in subdivisions of 50 or more units be provided as moderately priced housing. Where the application of the percentage of MPDU requirement results in a fraction of a unit, the required number of MPDUs is rounded up to the next whole number.

B. Review of Development Plans

Where the review of plans by the City Planning Commission is required by zoning, subdivision, or other ordinance, the review should include among other items:

1. The number of MPDUs to be provided, dwelling unit type, location in the subdivision, community facilities, and other plan features;
2. The number and location of bonus units and their impact with regard to site plan, density of development, topography, and other physical features;
3. The conformity of the project to zoning provisions under the zoning and subdivision regulations.

C. Waivers of MPDU Requirements

Requests for full or partial waiver of MPDU requirements shall be made to the Mayor and Council in accordance with Section 13.5-6(b) of the Moderately Priced Housing Ordinance.

D. MPDU Construction Agreement Procedures

1. At the time of building permit application, all applicants who are required to provide MPDUs must file a written agreement with CPDS that contains:
 - a. The number and type of MPDUs;
 - b. The identifying designation for each MPDU (e.g., subdivision, apartment or condominium name; location; and address, lot and block as applicable);
 - c. A plan for the staging of construction of all dwellings that must be arranged so that MPDUs are constructed along with or preceding other units. If the applicant proposes single-family attached or detached development, one-half of the MPDUs must be under construction before the second half of the market units are granted permits.
2. The MPDU agreement requires that the applicant provide in the sales contract or lease and to record with the deed for each MPDU sold or rented, a covenant running with the land stating that the dwelling unit will not be resold or re-rented for an amount that exceeds the limits set by the City for a period of thirty years from the date of original sale or rental of the unit.
3. The applicant must file with the MPDU agreement a statement of all land owned and available for development. Available for development means:
 - a. Any land owned or under contract to the applicant, presently zoned for any type of development to which the optional MPDU zoning provisions apply;
 - b. Any land which is within the area that is to be served by public water and sewerage as defined

- in the Ten Year Water and Sewerage Plan for Montgomery County; and
- c. Any land for which an application for subdivision, development, or building permit has been submitted to the appropriate City agency. The applicant need only update the original statement when additional MPDU agreements are submitted.

4. MPDU agreement forms may be obtained from CPDS. After approval, CPDS will verify that the agreement satisfies the terms of the MPDU Ordinance and these regulations. CPDS will submit the agreement to the Office of the City Attorney for review and approval prior to execution of the agreement by the City Manager.
5. After the MPDU agreement is approved, it is forwarded to the Division of Inspection Services for submission along with the applicant's request for building permits. The Division of Inspection Services may then issue permits for those units covered by the agreement provided that all other requirements necessary for the issuance of permits are satisfied.
6. Any revisions to the agreement must be approved by Mayor and Council and must be in writing and signed by both the applicant and the City Manager.

E. Housing Programs That May be Used to Fulfill MPDU Requirements

1. Certain Federal, State, or local housing programs may be used to fulfill MPDU requirements when the Mayor and Council approve such programs. Programs submitted for approval include but are not necessarily limited to those housing programs that require:
 - a. Incomes for eligible households at or below the MPDU income limits;
 - b. Prices which are at or below the maximum MPDU sales prices or rents; and
 - c. Long-term controls over the sales prices or rents that are deemed to be appropriate by the Director of CPDS.
2. The Montgomery County HOC Mortgage Purchase Program and the State Community Development Administration's Homeownership Development Program do not satisfy MPDU obligations.

F. Procedures for Considering and Implementing Alternative MPDU Offers

In accordance with the provisions of Chapter 13.5-5(f) of the City Code, an applicant may propose an alternative to building the required percentage of MPDUs onsite.

1. Request for alternative MPDU agreement. The applicant must submit a request for an alternative MPDU agreement to the CPDS Director in writing along with the submission of a development application for the project for which the alternative agreement is being requested. The request should include:
 - a. The applicant's justification and need for an alternative MPDU agreement. The justification shall contain all pertinent material and analysis that will assist in evaluating the request, including relevant zoning and site conditions, and financial feasibility.
 - b. The applicant's request for an alternative offer shall include one or more of the following options:
 - i. Building Significantly More MPDUs (as defined in Chapter 13.5-3) at one or more other sites in the city. See Section 5G.

- ii. Conveying land in the city that is suitable in size, location, and physical condition for Significantly More MPDUs (as defined in Chapter 13.5-3). See Section 5H.
 - iii. Contributing a payment in lieu of MPDUs to the Moderately Priced Housing Fund that will result in building Significantly More MPDUs (as defined in Chapter 13.5-3). See Section 5I.
- 2. Review of alternative offer.
 - a. The applicant and CPDS must negotiate the terms of the alternative MPDU agreement to present to and be approved by Mayor and Council. The final agreement must be in a form acceptable to the City Attorney and will be signed by the City Manager on behalf of the City. The applicant will furnish a copy of the executed agreement with the application for building permits.
 - b. The Mayor and Council may reject any offer by an applicant for an alternative MPDU offer either in part or in whole if the Mayor and Council determines that the public interest would best be served in that manner.
- 3. Alternative MPDU agreements for Senior or Special Needs Housing with Services.
 - a. Required alternative agreement. When an applicant proposes Senior or Special Needs Housing with Services as defined in Chapter 13.5-3 the applicant must request an alternative agreement.
 - b. When a project proposes Senior or Special Needs Housing with Services as defined in Chapter 13.5-3, the maximum monthly fee must be calculated using the then current income levels established for qualifying households for the City of Rockville MPDU Program.
 - i. The maximum monthly fee for a one-bedroom unit is based on the then current income range for a one person household. The maximum monthly fee for a two-bedroom unit is based on the then current income range for a two person household.
 - ii. The maximum monthly fee is calculated as follows:
 - 1) The difference between the then current minimum gross income and maximum gross income levels is divided into three equal income tiers.
 - 2) For Income Tier 1, the monthly fee must not exceed 70 percent of the average of the monthly minimum gross income and maximum gross income for the tier.
 - 3) For Income Tiers 2 and 3, the monthly fee must not exceed 75 percent of the average of the monthly minimum gross income and maximum gross income for each tier.

The following example illustrates a calculation for a one-bedroom unit:

MPDU Minimum Gross Annual Household Income for One Person: \$22,000

MPDU Maximum Gross Annual Household Income for One Person: \$45,100

Tier	Income Range	Average Income of the Minimum and Maximum	Maximum Monthly Fee
1	\$22,000 – \$29,700	\$25,850	\$1,508
2	\$29,701 – \$37,400	\$33,551	\$2,097
3	\$37,401 – \$45,100	\$41,251	\$2,578

iii. The Applicant must offer:

- 1) At least one unit in each tier; and
- 2) At least 30% of the MPDUs must be offered in a combination of Tier 1 and 2 units, but the Applicant is not required to provide an equal number of units in each tier.

iv. The monthly fee for services for an additional occupant must not exceed 75 percent of the monthly fee charged to an additional occupant of a market-rate unit.

- c. Options for providing less than the required number of MPDUs onsite. As part of the applicant's request for an alternative agreement and only when MPDUs are provided onsite, the applicant may request permission to provide a lower percentage of MPDUs if the applicant can demonstrate that providing the reduction will result in furthering the objective of providing a broad range of housing opportunities throughout the City. The maximum percentage reduction is limited to two and one-half percentage points (2.5%) from the required percentage of MPDU units. The justification must be documented by verifiable data and is subject to review and approval by the Mayor and Council.

G. MPDU Off-Site Development Option

An applicant may satisfy a project's MPDU requirements by providing Significantly More MPDUs as defined in Chapter 13.5-3 at an alternative location.

1. An applicant may:
 - a. Build or convert from nonresidential use, the required number of MPDUs at a site approved by Mayor and Council;
 - b. Buy or encumber, and rehabilitate as necessary, other existing residential units to meet the MPDU requirement.
2. Each agreement under this option must include a schedule, binding on the applicant, for timely completion or acquisition of the required number of MPDUs.
3. In reviewing an alternative location proposal, CPDS will take into consideration the following factors:
 - a. Whether the proposed site has comparable access to amenities and services as onsite MPDUs would have had.
 - b. Whether the proposed units will be of comparable quality to MPDUs that would have been provided onsite.

H. MPDU Land Transfer Option

An applicant may satisfy the MPDU requirements of a development by transferring land to the City which is suitable for the construction of Significantly More MPDUs as defined in Chapter 13.5-3. Land transferred to the City must be conveyed in the form of finished lots unless otherwise agreed to by the Mayor and Council. The transferred land must be of sufficient area to construct the number of MPDUs required. A request to transfer land to the City is considered an alternative MPDU agreement and must follow the timeline and procedures in Section 5F of these regulations.

1. Conditions for Transfer:

Land offered to the City will be evaluated by CPDS for meeting the following minimum conditions:

- a. The lots must be capable of being built upon without undue or excessive costs;
- b. In single-family detached developments, land may be transferred as individual scattered lots, as several groups of lots, or as a single parcel;
- c. In semi-detached developments, land may be transferred as scattered pairs of lots for adjoining homes, as a single parcel, or as multiple parcels;
- d. In fourplex or townhouse developments, land may be transferred as a group of lots sufficient in number to develop a fourplex building or group of townhouses.
- e. In multi-family apartment projects, land may be transferred if it is of sufficient size to support the development of an independent rental or sales project including parking, open space, and amenities.

2. Notification Process

A land transfer request must include:

- a. A description of the property to be transferred;
- b. Available development plans, record plats, topographical maps, and title reports; and
- c. An itemized estimate of the development costs for such lots.

3. Review Process

For a land transfer proposal, CPDS will consult with other departments as may be appropriate. CPDS will take into consideration the following factors:

- a. The feasibility of constructing housing on the property to be transferred based upon a comprehensive examination of the soils, slopes, and other physical characteristics.
- b. Whether sufficient land is available to meet the MPDU requirements; and
- c. The availability of funds for reimbursement of the estimated lot finishing and settlement costs.

4. Land Transfer Agreement

- a. CPDS will arrange for preparation of the necessary deeds, arrange for settlement, and ensure that the deeds are properly recorded.
- b. The Mayor and Council may enter into an agreement to sell the transferred property to a builder who will construct housing that will achieve the objectives of the Moderately Priced Housing Ordinance. The prices to be charged for the transferred land should take into consideration any City costs, and must reflect the concept that little or no raw land cost is included in the MPDU price.

5. Compensation

- a. A finished lot is defined as one that has been adequately prepared to allow the construction of a dwelling without major additional site preparation. After the submission of supporting documentation and review and approval by the city for the transfer of finished lots, the City shall reimburse the applicant for the costs the applicant actually incurred, which are directly attributable to the finishing of the MPDU lots so transferred. Reimbursable costs include but are not limited to engineering costs; clearing, grading, and paving streets, including any required bonds and permits; installation of curbs, gutters and sidewalks; sodding of public right-of-way; erection of barricades and signs; installation of storm sewers and street lighting; and park and other open space and recreational development directly benefitting the MPDU lots transferred.

The City shall not reimburse an applicant for the cost or value of the transferred lots.

- b. Closing costs shall be paid by the City.
- c. If no funds have been appropriated to reimburse the applicant for finishing costs, the City may elect to accept from the applicant undeveloped land rather than finished lots.

6. Inspection of Land

The City, or its agents, will have the right to enter onto all or any part of the property at any time prior to closing for the purposes of surveying, engineering, soil testing and boring, and such other studies as may be desirable or necessary. The costs for this work will be borne by the City and will not result in a change in the present character of the property.

7. Disposition of Land by City

The City may cause MPDUs to be constructed on land transferred by selling these lots to one or more builders under terms that will carry out the objectives of the Moderately Priced Housing Ordinance or to contract directly for the construction of the units.

I. MPDU Fee-in-Lieu to the Moderately Priced Housing Fund

An applicant may satisfy the MPDU requirement by making a cash contribution to the city's Moderately Priced Housing Fund instead of building some or all of the required number of MPDUs in the proposed development. The fee per unit will be paid for each MPDU that was required to be built onsite, plus an additional 15% of the number of MPDUs that were required to be built onsite. For example, if 20 MPDUs are required onsite, the fee-in-lieu payment is calculated for 23 MPDUs.

- a. For-sale units: The fee per unit will be 90 percent of the difference between the market rate purchase price of a dwelling unit and the sales price affordable to an MPDU household earning the maximum MPDU household income. The amount affordable to a household shall be based on common definitions of affordability, such as that provided by the U.S. Department of Housing And Urban Development, and the standard costs of ownership, such as principal, interest, taxes, insurance, and homeowner association dues. City staff will use the following assumptions to determine affordability: the most recent average regional 30-year fixed mortgage rate as reported by the Freddie Mac Primary Mortgage Market Survey or similar reputable source at the time of the applicant's request, local property tax rates, a reasonable estimate for insurance costs based on unit construction type, and a 5 percent borrower downpayment.
- b. Rental units: The fee per unit will be calculated using the same basis for the for-sale units. Instead of sales prices, alternative payments will be based on appraisals of individual rental market units of each required bedroom type, as if the units were for-sale units. The necessary appraisals will be at the applicant's expense.
- c. The affordability gap will be calculated on a case-by-case basis by City staff. One-half of the total fee will be due upon the applicant's application for building permits and the remaining fee will be due before issuance of the certificate of occupancy for the project.

J. Waiver of MPDU Requirements

Requests for waivers from requirements of the Moderately Priced Housing Ordinance must be submitted concurrently with the submission of an application for development review. All requests for waivers shall be submitted to the Director of CPDS for referral to the Mayor and Council. Such requests must be in writing and clearly state the reason for such a waiver and should be substantiated with documentation, plans, and all other pertinent material that will assist in making a decision on the request.

CPDS staff will make recommendations to the Mayor and Council prior to the granting or denying of waivers. All waiver requests are considered individually and granting of waivers will be kept to a minimum.

SECTION 6. SALE OR RENTAL PROCEDURES

The Moderately Priced Housing Ordinance regulates the sale and rental of units built according to its requirements, both in the method of sale or rental and the price at which they can be offered. The current sales prices and rents are available from the CPDS. The maximum sales prices and rental rates are revised annually February 1st.

A. Sales Price Limits for MPDUs

1. The sales prices for housing constructed as a requirement of the MPDU law must not exceed the applicable maximum limits established by the Mayor and Council. Sales prices include all real estate brokerage fees, builder-paid permanent mortgage placement and buy-down fees, and closing costs, except pre-paid expenses required at settlement.
2. The following are closing costs that are calculated in the MPDU pricing process and included in the maximum allowable sales prices:
 - a. One-half of the loan origination fee.
 - b. County tax certificates, transfer charges, revenue stamps and recordation charges.
 - c. Appraisal fees and credit report charges.
 - d. Title examination, settlement and attorneys' fees.
 - e. Notary fees, document preparation (which shall include only: deed of conveyance, deed of trust/mortgage ad note/bond) and house location plat.
 - f. FNMA review charges and the amount escrowed for water bill.
3. The following items are considered to be prepaid expenses and are not included in the maximum sales price. These charges must be paid by the purchaser:
 - a. One-half the loan origination fee
 - b. Real estate taxes and front foot benefits
 - c. Hazard and mortgage insurance
 - d. Prepaid interest on mortgage loans
 - e. Homeowner association or condominium fees
 - f. Title insurance and binder fees
 - g. Lender's inspection and other fees required by the lender.
4. The sale price limits for MPDUs are those in effect at the time the ninety-day priority offering period to

the City's eligibility list commences. This 90-day priority offering period commences in accordance with the procedures described in these regulations. In the event that MPDUs offered in this manner have not been sold to eligible persons during the 90 day priority offering period and the applicant then markets the units to the general public, the price limits may be adjusted upward by the CPDS to reflect the increased carrying costs incurred by the applicant. The units, however, must be completed and available for occupancy and the applicant must demonstrate that a good faith effort was made to market the units to eligible households during the 90-day offering period. The monthly carrying costs allowance is based upon the cost of construction financing as calculated in the sales price limits established in the offering agreement.

5. MPDUs developed under the programs identified in Article 5-D of this regulation must be offered and marketed according to the procedures established for those programs.

B. Rental Limits for MPDUs

Rental rates shall be based on the U.S. Department of Housing and Urban Development (HUD) median income calculation for a family of four in the Washington, D.C. Metropolitan Statistical Area that are released yearly around March 1. The rental rates for housing constructed as a requirement of the MPDU Ordinance must not exceed the applicable maximum limits according to the following:

- 1) For dwelling units subject to an MPDU Agreement with an effective date on or before [PLACE HOLDER FOR ADOPTION DATE OF REGULATIONS], the following chart shows the information to be used to calculate the rents on a yearly basis:

Monthly Type of unit	# of Persons	Family Size Factor	Median Income	60% of Median	% of Income for Housing ¹	Monthly Rent
Efficiency	1	.70	HUD#	HUD x 0.60	0.25	Value
One Bedroom	2	.80	HUD#	HUD x 0.60	0.25	Value
Two Bedroom	3	.90	HUD#	HUD x 0.60	0.25	Value
Three Bedroom	4+	1.00	HUD#	HUD x 0.60	0.25	Value

- a. To obtain the value for each bedroom count, the family size factor is multiplied by the 60% of median income number, and then multiplied by 0.25 (or 0.30 if utilities are paid by the landlord), or the percent of income for housing. This formula provides a value for the monthly rent for each type of unit.

- 2) For dwelling units subject to an MPDU Agreement with an effective date after [PLACE HOLDER FOR ADOPTION DATE OF REGULATIONS], the following chart shows the information to be used to calculate the rents on a yearly basis:

¹ This assumes tenant paid utilities. If utilities are paid by landlord, rental rates should be calculated at 0.30 instead of 0.25.

<u>Monthly Type of unit</u>	<u># of Persons</u>	<u>Family Size Factor</u>	<u>Median Income</u>	<u>% of Median</u>	<u>% of Income for Housing²</u>	<u>Monthly Rent</u>
<u>Efficiency</u>	<u>1</u>	<u>.70</u>	<u>HUD#</u>	<u>HUD x Income Band</u>	<u>0.25</u>	<u>Value</u>
<u>One Bedroom</u>	<u>2</u>	<u>.80</u>	<u>HUD#</u>	<u>HUD x Income Band</u>	<u>0.25</u>	<u>Value</u>
<u>Two Bedroom</u>	<u>3</u>	<u>.90</u>	<u>HUD#</u>	<u>HUD x Income Band</u>	<u>0.25</u>	<u>Value</u>
<u>Three Bedroom</u>	<u>4+</u>	<u>1.00</u>	<u>HUD#</u>	<u>HUD x Income Band</u>	<u>0.25</u>	<u>Value</u>

a. To obtain the value for each bedroom count, the family size factor is multiplied by the income band (0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0, 1.1, or 1.2) depending on the income band applicable to the specific unit, and then multiplied by 0.25 (or 0.30 if utilities are paid by the landlord). This formula provides a value for the monthly rent for each type of unit.

a.b. The final distribution of dwelling units at the various income band levels (i) is subject to City approval, and (ii) must be detailed in an MPDU agreement.

3) The formulas set forth in this Section shall be applied and rates calculated by the staff of the CPDS each year for approval of the City Manager. Sixty days prior to implementing the annual adjustment, the City Manager shall inform the Mayor and Council of the amount of the adjustment in the maximum rent.

2)4) The Mayor and Council may, if desired, establish a different maximum rent than provided by the formula, in accordance with the MPDU ordinance.

5) The rents are those in effect at the time the 90-day priority offering period to the City's eligibility list commences. This 90 day priority offering period commences in accordance with the procedures described in Article 6C. In the event that the MPDUs offered in this manner have not been rented to eligible persons during the 90 day priority offering period and the applicant then markets the units to the general public, the applicant may offer the units at the rental rates currently in effect for new units. The applicant, however, must demonstrate that a good-faith effort was made to market the units to eligible households during the initial 90-day offering period.

6) MPDUs developed under the programs identified in Article 5D of this regulation are to be offered and marketed according to the procedures established for those programs.

C. Sale and Rental Procedures

1. Qualifying and Marketing MPDUs to Eligible Persons

a. The actions that the Department will take in qualifying eligible persons are as follows:

² This assumes tenant paid utilities. If utilities are paid by landlord, rental rates should be calculated at 0.30 instead of 0.25.

- 1) Take applications from households and individuals to determine their eligibility for MPDUs;
- 2) Forward the application information to the Rockville Housing Enterprises staff so that they may verify that the information is correct and meets the eligibility criteria;
- 3) Maintain a list of eligible persons according to their preference for sale or rental housing, number of bedrooms required, place of residency and place of employment;
- 4) Provide a list of eligible persons to the builder or developer who will notify eligible persons of the availability of MPDUs adequate to meet their housing needs and preferences;
- 5) Determine whether a potential MPDU buyer has previously owned an MPDU or occupied a residence that the buyer has owned in the Washington, D.C. Metropolitan Area within the previous five years. An eligible person may not buy an MPDU if that person has previously owned an MPDU or other residence in the Washington, D.C. Metropolitan Area as defined by the United States Department of Housing and Urban Development within the previous five years, unless there are no other eligible persons who are first-time buyers interested in purchasing the unit. The City Manager may waive this restriction for good cause.

2. Offering MPDUs for Sale or Rent

- a. The applicant must notify the Department of the intent to offer MPDUs for sale or rent by completing an MPDU offering agreement on the form provided by the City Manager. The following information must be provided:
 - 1) A description of the MPDUs including the number, unit types, and size by area and number of bedrooms, and other relevant details of the MPDUs.
 - 2) The addresses, legal descriptions, and tax account numbers of MPDUs.
 - 3) A recorded subdivision plat, a copy of the approved preliminary plan, and two copies of the site development plan designating the location of the MPDUs.
 - 4) A copy of the recorded Declaration of Covenants, or covenants fully executed and ready for recording;
 - 5) A completed sale price calculation sheet and price list of options if the houses are to be sold and a copy of the floor plans of each unit type;
 - 6) The date(s) when MPDUs will be delivered for settlement or rental occupancy;
 - 7) Other information the Department may deem necessary.

b. MPDU sale units must be available for settlement and occupancy in compliance with all Code requirements within one year of the date of acceptance of the offering agreement by the Department.

b-c. MPDU rental units must be available for rental occupancy in compliance with all code

requirements within one year of the date of acceptance of the offering agreement by the Department.

3. Selection Process for Offering Units for Sale or Rent

- a. The CPDS shall maintain a list of all eligible persons interested in buying MPDUs and a list of all eligible persons interested in renting MPDUs based on those persons holding Certificates of Eligibility. This list will be provided to the builder or developer for marketing the units during the priority marketing period.
 - 1) Each list shall be divided into two parts, the first part being individuals or households who currently live or work within the Rockville City limits, and the second part being those individuals or households who do not live or work within the Rockville city limits. The builder or developer shall first offer the units for sale or rent to those persons who live or work within the Rockville city limits.
 - 2) For the list of eligible persons interested in renting multifamily MPDUs, those individuals over age 55 or families with a member over age 55 will be placed at the top of the list in accordance with the policy of the Mayor and Council that such individuals shall be given priority in renting multifamily MPDUs. The builder or developer shall be instructed to contact such individuals first when marketing the multifamily MPDUs for rent.
 - 3) The builder or developer shall, in accordance with the above sections, contact eligible persons to offer units for sale or rent in the order in which they appear on the list. Eligible persons must be given a reasonable amount of time to respond to the notification prior to the builder or developer moving forward on the list to offer the units to additional certificate holders. The applicant may not begin marketing or reserving MPDUs prior to approval of the offering agreement and the date established by the Department for marketing the MPDUs. The applicant must comply with all federal, state, and local fair housing laws.
 - 4) If an applicant offers MPDUs for sale within six months after the date of acceptance by the Department of a previous offering of MPDUs in the same subdivision, then the priority list established for the previous offering will be used until all eligible households on the list have been exhausted. The following provisions apply to the subsequent offering:
 - a. The applicant's offering contains the same type(s) unit(s) with the same number of bedrooms per unit as were in the prior offering; and
 - b. Purchasers must have a valid MPDU eligibility certificate and meet the approved maximum MPDU income limits at the time of the second offering.
 - c. The priority marketing period for subsequent offerings begins on the date of approval of the offering agreement.
 - d. For offerings where no lottery is to be held, eligible persons will be notified and advised to contact the applicant directly to arrange for the purchase of an available unit. The applicant will be responsible for marketing the units. The applicant may not begin marketing or reserving MPDUs prior to approval of the offering agreement and the date established by the Department for marketing the MPDUs on a "first-come, first-served" basis. The applicant must comply with all federal, state, and local fair housing laws.

4. Rental Procedures

- a. MPDUs offered for rent by the applicant may be leased without utilizing the lottery process unless otherwise required by the Director. The applicant must comply with all applicable fair housing laws and must rent the available MPDUs only to eligible persons during the priority marketing period. If a lottery process is used to rent the MPDUs the same point system described in Section 3(b) will be used for ranking eligible persons or households.

5. MPDU Covenants

- a. Before the first sale or rental of an MPDU, the applicant must sign and forward MPDU covenants to the Department. The covenants must be in the form required by the Department and include the restrictions contained in the Moderately Priced Housing Ordinance. The covenants will run with the land for the entire period of control and until all requirements of the Moderately Priced Housing Ordinance have been complied with. The covenants will be binding on the applicant, all assignees, mortgagees, buyers, and all other parties that receive title to the property.
- b. MPDU covenants will be recorded by the Department and must be recorded so that they are senior to all instruments securing permanent financing. Every deed transferring the MPDU must contain the reference to the covenants citing where the covenants are recorded in the Land Records by liber and folio reference. If covenants cannot be recorded on the MPDU in conformance with this regulation, then the unit will not be considered as having met the requirements section 13.5 of the Moderately Priced Housing Ordinance.

6. Sales and Rental Documentation

Within fourteen days following the sale or rental of each MPDU, the applicant must submit to the Department a copy of the initial sales contract or lease agreement and the MPDU Certificate of Use Form. The final settlement sheet and a copy of the deed must be sent to the Department within 21 days after settlement on the sale of the property. The Applicant must submit all of the required documents in correct form to consider the unit as fulfilling the requirements of the Moderately Priced Housing Ordinance.

D. Units Available to the housing agency

1. Under the Moderately Priced Housing Ordinance, the Housing Agency is entitled to purchase or lease, for its own programs, up to thirty three percent (33%) of all MPDUs to be sold or rented in each development. Concurrently with the eligible candidates, the CPDS must notify the housing agency of the availability of MPDUs.

The housing agency then has 21 days to designate to the applicant those units, if any, it is considering acquiring or renting. For the units under consideration, the housing agency then has the remainder of the 45-day period to notify the applicant of its final decision. Units not designated by the Housing Agency within the appropriate time limits may be marketed by the applicant according to the Moderately Priced Dwelling Unit Ordinance guidelines.

2. For the units under consideration, the housing agency is considered to have exercised its option and to

have exclusive right to those units designated by the housing agency for sale or rental if the housing agency has within the 45 day period provided the applicant with a written notification of its intent to purchase or rent. In all cases, the applicant must deliver all necessary documents to the housing agency within the 45 day period in order that the housing agency or its assigns might contract to purchase or lease, as appropriate, the available MPDUs as expeditiously as possible.

3. The housing agency should negotiate the acquisition or rental of MPDUs directly with the applicant. The housing agency is subject to the maximum sales prices or rental rates included in regulations issued by the Mayor and Council.
4. The housing agency may assign its one-third option described above to persons of low or moderate income who are eligible for assistance under any federal, state or local program identified in section 13.5-3 of the Moderately Priced Housing Ordinance, as amended, or in regulations. If the housing agency assigns its option in this manner, it must notify the CPDS and the applicant of the person to whom the option has been assigned and must also inform the CPDS of the subsequent exercise of the option so assigned.

E. Control of sale price and rental rate of MPDUs

The price at which MPDUs may be sold is controlled by covenants recorded with the deeds of those properties for a period of thirty (30) years from the date of original sale or rental of such unit. The price at which MPDUs may be rented is controlled by covenants recorded with the deeds of those properties for a period of thirty (30) years from the date of original rental of such unit

F. Restrictions on Rental of MPDUs

1. MPDUs, other than those specifically described in Article 6-D and 6-F (3), must not be offered for rent by an applicant during the priority offering period, except when located in subdivisions consisting entirely of rental units. Applicants must make a good faith effort to enter into contracts with those having the exclusive right to contract.
2. Applicants who make a good faith effort to sell their MPDUs in accordance with the restriction described in paragraph F-1 above, but are unable to sell the MPDUs during the priority of offering period, may, after notifying CPDS, re-offer unsold units for rent. These units must then be marketed and leased in accordance with the procedures and requirements imposed by this regulation.
3. In any subdivision in which the applicant designates one or more sections of the subdivision or a particular housing type to be marketed as rental units, the applicant may elect to meet the MPDU requirement for the rental section with rental MPDUs in accordance with the following provisions:
 - a. The designation of rental sections must be made at the time of submission of either the MPDU construction agreement or the offering agreement to the City for approval.
 - b. A plan for the entire subdivision, designating the location and number of units in the rental sections and the MPDUs, must be attached and made part of the agreement.
 - c. The number of rental MPDUs as proportion of the total number of rental units must not exceed (but may be less than) the proportion of total MPDUs to the total number of dwelling units in the subdivision. Rental MPDUs must be the same housing type as the market rate rental units.

G. Requirements for MPDU Rentals

Rental MPDUs are administered in the following manner:

1. Every lease for a rental MPDU must include a provision that states "the rental price may not exceed the maximum rental rate as established by regulation from time to time pursuant to the Moderately Priced Housing Ordinance, as amended, or as determined by any system of rental controls enacted by the Mayor and Council of Rockville." The original rent established for each MPDU may not be modified except as permitted by executive regulation.
2. If the owner of any rental MPDU decides to sell the unit at any time during the control period, the owner must notify the CPDS in writing of such intent. The sale of the unit will be treated as if it were an original offer to sell and the sale and purchase of the unit will be governed by the Moderately Priced Housing Ordinance and appropriate regulations. The sales price will be the price listed in the current executive regulation governing the initial sales price of MPDUs.
3. If the unit is converted to condominium status during the control period, it is subject to the requirements of Chapter 11A of the Montgomery County Code, 1994, as amended.

H. Re-rental of MPDUs by Applicants

During the control period, if an applicant has rental MPDUs to be re-rented, the applicant must offer them to persons determined by the CPDS to be of moderate income for sixty days prior to marketing to the general public.

SECTION 7. SUBSEQUENT SALES OF MPDUs

The City exercises control over resale prices of previously purchased MPDUs in accordance with the following procedures:

A. Request for Price Determination

An owner of an MPDU must notify the CPDS in writing of the owner's intent to sell and request a resale price determination. The owner must provide the CPDS with an itemized list of all capital improvements for which credit is requested as part of the resale price determination. All improvements claimed must be documented with receipts. The owner must permit the CPDS to inspect the improvements.

B. Establishment of Maximum Resale Price

1. Upon receiving a request for a resale price determination, the CPDS will establish a maximum resale price, which will include the following factors:
 - a. The original price paid for the unit plus an allowance for the increase in value of the unit during the period between the date of original settlement and the date of resale. The allowance is based upon the rate of increase in the U.S. Department of Labor Consumer Price Index for the Washington, D.C. metropolitan area.
 - b. The fair market value of capital improvements made to a unit subsequent to the date of purchase

as determined by the CPDS. Fair market value is defined as the actual and reasonable costs of materials, professional fees, contractors' fees, and permit fees associated with furnishing and installing the improvements. The fair market value of improvements does not include reimbursement for labor performed by the owner nor reimbursement for the purchase of tools and equipment used to install the improvements.

- c. Upgrades of existing house components, normal owner maintenance and general repair work will not be included in the resale price determination. Improvements must be permanent in nature and clearly add to the market value of the house or property.
2. Any personal property, including equipment, not considered an improvement by the CPDS, may be sold as an option; however, the value of such options may not be added to the final sales price of the dwelling unit. The purchaser of an MPDU is under no obligation to purchase personal property or equipment. Household appliances purchased as an option at original sale or added subsequent to the original sale will be depreciated over a five year lift cycle. The depreciation is subtracted from the final resale price.
3. Closing costs are treated as follows:
 - a. The seller must pay all closing costs when such costs were included in the original purchase price.
 - b. When an MPDU owner has paid all closing costs as may be required by government mortgage financing programs, then the purchaser must pay closing costs on the resale.
 - c. Prepaid items are not considered closing costs.
 - d. No increase in the resale price is allowed for the payment of brokerage fees associated with the sale of a unit.
4. The CPDS will notify the owner, in writing, of the approved resale price within 21 days of receipt of the request for price determination. Items not approved will be noted with the reason given for the disapproval.

C. Offering an MPDU for Resale

MPDU resales must be offered in accordance with the following procedures:

1. An MPDU cannot be offered, advertised, or sold for a price greater than the maximum resale price determined by the CPDS. The seller must notify the CPDS whenever a sales contract is executed by forwarding a copy to the CPDS. The seller must also furnish the CPDS with an executed copy of the settlement sheet.
2. An MPDU may only be sold to a purchaser who will occupy the unit as the purchaser's primary place of residence for the balance of the existing control period or to the designated housing agency. Purchase of an MPDU for speculative purposes prohibited. The seller will be given a certificate of personal use form which must be completed by the intended purchaser and returned to the CPDS.
3. Upon establishing a maximum resale price, the unit must be offered first exclusively to the designated housing agency which will have a 45 day period in which to notify the seller of its decision. If the designated housing agency does not wish to purchase the unit, it will then be offered to persons determined by the CPDS to be of moderate income. These persons will have an exclusive opportunity to contract for the unit for sixty days. The CPDS has permission to inform certificate holders of the availability of these units.

4. If the unit has not been sold during the sixty days after the CPDS established the maximum resale price, the MPDU owner may offer the unit to the general public at the price previously determined by the City Manager.

D. Appeal of Resale Price

If a seller does not agree with the determination issued by the CPDS regarding the eligibility of improvements and their value, the seller will have fourteen days from the date of the determination to request reconsideration by CPDS. The request must cite the basis for the request and should include documentation that the seller wishes to use in support of the request. If a seller does not agree with the determination made by the City Manager as to the fair market value of eligible improvements, the seller has the right to have an appraisal conducted by a certified appraiser, the cost of which is borne by the seller. Upon submission of such appraisal, the City Manager must make a final determination as to the fair market value of improvements. The director of the CPDS must send a written final determination of the approved maximum resale price to the seller within thirty days of the receipt of the request.

SECTION 8. ENFORCEMENT

The City enforces the provisions of the Moderately Priced Housing Ordinance and regulations in accordance with the following conditions:

- A. The CPDS is responsible for enforcing the provisions of the Moderately Priced Housing Ordinance. In the event that an applicant does not construct the MPDUs according to the terms of an approved MPDU agreement, the CPDS will contact the applicant to determine the reasons for such noncompliance. If the applicant can demonstrate sufficient reason why the MPDUs have not been constructed, the Mayor and Council may agree to renegotiate the applicant's MPDU agreement.

Sufficient reason for the failure to construct MPDUs according to the approved MPDU agreement include but are not limited to the following:

1. Economic conditions have caused the applicant to postpone the development of the entire project including both the MPDUs and market rate units. An applicant may not postpone the construction of the MPDUs unless the City has given prior approval to such a change in the approved agreement.
 2. Sewer and water service has been delayed for all or a portion of the subdivision.
 3. Unusual weather conditions or physical site conditions have rendered part or all of the site temporarily undevelopable.
 4. A failure by a public agency has forced a deviation from the approved staging plan.
 5. Such other good reasons as may be accepted by the Mayor and Council on a case by case basis.
- B. Revisions to an approved MPDU agreement are the responsibility of the applicant and should be requested as soon as the applicant recognizes that the terms of an approved MPDU agreement cannot be met.
 - C. If the applicant cannot demonstrate sufficient reason why the terms of the approved MPDU agreement have not been met, or can demonstrate good cause but does not negotiate an amended agreement with the CPDS, the CPDS may request that the city take formal action against the applicant to ensure that the MPDUs are constructed along with or preceding the market rate units in the subdivision. The City Manager is authorized to withhold the issuance of subsequent building or occupancy permits to the

applicant until the MPDUs contained in the currently approved agreement are constructed, or until the applicant has amended his agreement. Once the issuance of a building permit for the subdivision has been halted, or existing building or occupancy permits suspended or revoked, the issuance of permits by the CPDS may not be resumed until the City Manager is satisfied that the terms of the approved MPDU agreement are being met.

SECTION 9. RENTAL AGREEMENT OFFERING

- A. The rental limits for MPDUs offered for rent are those in effect at the time that the ninety (90) day priority offering period to persons on the eligibility list commences. This ninety (90) day priority offering period commences in accordance with the procedure described in the regulation.
- B. The offering of rental MPDUs to the CPDS will not be considered a bona fide offering unless such units are available for occupancy within 120 days of the acceptance of the offering by CPDS. In the event that the units are not rented to eligible persons during the 90 day period referred to above, and the applicant (i.e., developer) has proved to the satisfaction of CPDS that a good faith effort was made to rent the units to eligible persons, the applicant may then market the units to the general public at the rental price limits currently in effect for new units.
- C. Monthly rent levels may be adjusted upward by an amount not to exceed \$12.00 to compensate for installation and operation of laundry washer/dryer equipment in individual dwelling units.
- D. Landlords offering MPDUs for rent are required to send copies of the initial rental contract and rental certification form indicating whether utilities are included in the rent or paid separately by the tenant and notice of rent increases and renewal leases to CPDS.
- E. The rents listed above cover all operating expenses and utilities, except as noted. Operating expenses include all costs associated with the operation and maintenance of the rental property. Where operating costs assumed in the establishment of these prices are the responsibility of the owner/developer but are paid by the tenant, the maximum allowable rent may be adjusted downward by CPDS. This provision applies to all units rented according to Section 13.5-6, Rockville City Code as amended.

SECTION 10. MAXIMUM INCOME LIMITS

Subject to Section 13.5-4 of the MPDU Ordinance, the maximum household income limits listed below will be used to determine eligibility for the Moderately Priced Housing Program.

For dwelling units subject to an MPDU Agreement with an effective date on or before [PLACE HOLDER FOR ADOPTION DATE OF REGULATIONS] and for sale units:

<u>Household Size</u>	<u>Maximum Permitted Moderate Income³ -60%</u>
<u>1</u>	<u>\$38,430</u>
<u>2</u>	<u>\$43,920</u>
<u>3</u>	<u>\$49,410</u>
<u>4</u>	<u>\$54,900</u>
<u>5 or More</u>	<u>\$59,292</u>

For dwelling units subject to an MPDU Agreement with an effective date after [PLACE HOLDER FOR ADOPTION DATE OF REGULATIONS]:

<u>Household Size</u>	<u>Minimum Income 30% AMI</u>	<u>Maximum Income⁴ -120%</u>
<u>1</u>	<u>23,100</u>	<u>92,700</u>
<u>2</u>	<u>26,500</u>	<u>105,900</u>
<u>3</u>	<u>29,800</u>	<u>119,100</u>
<u>4</u>	<u>33,000</u>	<u>132,400</u>
<u>5 or More</u>	<u>35,700</u>	<u>142,900</u>

SECTION 11. SOURCES OF INCOME

Maximum permitted moderate income is defined as the gross income received annually from all sources by the members of a family or household unit. Sources of income include, but are not necessarily limited to the following:

- A. Wages and Salary
- B. Child Support
- C. Alimony
- D. Interest from Savings/Checking

³ These figures will be updated annually in accordance with HUD income limits.

⁴ These figures will be updated annually in accordance with HUD income limits.

- E. Dividends from Stocks/Bonds Certificate of Deposits.
- F. Social Security Benefits.
- G. Veterans Administration Benefits
- H. Overtime.
- I. Unemployment Insurance.
- J. Bonus Payments.
- K. Pension/Retirements Payments
- L. Disability Benefits.
- M. Any Other Annuities or Stipends Received.
- N. Income from Real Estate Investments

O. Welfare/AFDC (including money received pursuant to the Temporary Assistance for Needy Families program; but excluding "food stamps")

O.P. Monetary gifts

Losses generated from investments in real estate will not be used to reduce gross annual income.

SECTION 12. APPLICABILITY

These prices and price calculation procedures are applicable to new houses constructed and sold in fulfillment of the Moderately Priced Housing Ordinance requirements. This regulation is being promulgated after obtaining and considering information and data dealing with current general market and economic conditions and the current minimum sale prices of privately produced market priced housing. The Mayor and Council has obtained information relative to housing prices and construction costs from the building industry, employers and professional and citizen groups having information relative to moderate income housing.

SECTION 13. MAXIMUM, ALLOWABLE SALES PRICES OF MPDU'S

The following schedule contains the approved maximum, allowable sales prices of basic units, including closing costs and sales commission fees for moderately priced dwelling units sold in accordance with the requirements of Chapter 13.5 of the Rockville City Code, as amended. These prices are subject to the adjustments contained in Section 6.

Unit Type	No. of Bedrooms	Basic Unit Size	Basic Unit Sales Price
Detached	2 or 3	1,000 sq. ft.	\$73,776
Detached	4	1,100 sq. ft.	\$79,350
Detached	5	1,200 sq. ft.	\$84,925
Semi-detached	2 or 3	1,000 sq. ft.	\$72,189
Townhouse/four-plex	2 or 3	1,120 sq. ft.	\$67,020
Townhouse/four-plex	4	1,200 sq. ft.	\$70,892
Back-to-back Townhouse(2 story)	2or3	1,000 sq. ft.	\$53,405
Back-to-back Townhouse(3 story)	2 or 3	1,400 sq. ft.	\$66,995
Piggyback Townhouse	2 or 3	1,000 sq. ft.	\$53,405
Multi-family (non-elevator)	1 to 3	850 sq. ft.	\$48,643
Multi-Family (elevator)	1 to 3	850 sq. ft.	\$69,547

SECTION 14. PRICE ADJUSTMENTS FOR VARIATIONS FROM BASIC UNIT STANDARDS

- A. For units differing in size (square foot area) from the basic unit, the structure cost will be increased or decreased at one-half the unit type square foot cost.
- B. The construction loan interest rate used to calculate construction financing costs is based upon a prime interest rate of ten percent plus two percentage points. Variations from this construction loan interest rate will be adjusted to the prime interest rate that exists at the time of the offering plus two percentage points.
- C. The following costs, in addition to the construction loan expenses, are included in the allowable sales price and are expressed as a percentage of the total price as follows:
 1. Construction loan placement fee – 1.5 percent
 2. Legal and closing costs – 3.5 percent
 3. Marketing expenses and sales commissions – 4.5 percent
 4. Builder's overhead expenses – 8 percent
 5. Pre-Development Expenses and contingencies – 5 percent
- D. The allowable sales price includes the following closing costs that are to be paid by the seller:
 1. One-half percent for a permanent loan origination fee;
 2. County tax certificate, transfer charges, revenue stamps and recordation charges;
 3. Title examination, settlement, and attorney fees;
 4. Notary fees and fees for preparation of a deed of conveyance, a deed of trust or mortgage, and the deed of trust or mortgage note;
 5. House location survey plat; and
 6. Appraisal fees and credit report charges.
- E. Fees required to place permanent financing will be permitted to be added to the allowable sales price to determine the final sales price to the purchaser. These fees may include the seller's permanent loan fees (points) that are in excess of one-half percent and any buy down fees paid to a financial institution to reduce mortgage interest rates on the purchaser's loan below current market interest rates. There will be no additions if the buyers secure their own financing.
- F. The above prices for single-family, semi-detached, and townhouses include the cost of a basement. A basement cost will not be permitted on back-to-back or piggyback townhouses unless one or more of the following criteria are satisfied:
 1. The MPDUs are attached units and are scattered among market rate units with basements; or
 2. The MPDUs are constructed on land where the topography necessitates the construction of basements and the developer can demonstrate such topographical requirements to the satisfaction of the CPDS.
- G. In any instance where a townhouse MPDU is constructed as an end unit dwelling, the allowable structure cost will be adjusted to reflect the increased costs associated with the construction of the end unit.
- H. The allowable sales prices listed in Section 14 may be adjusted for the dwellings where space for future bedrooms that can be finished by the purchaser is provided. For each potential additional bedroom

where adequate space is provided, the square foot price for this area will be reduced by ten dollars per square foot from the square foot price. The minimum area, height, lighting, and ventilation must be provided in an MPDU in order to meet the requirements of the MPH ordinance. Expandable space must include the installation of heating and air conditioning ductwork, rough electrical wiring, rough-in plumbing, and insulation. Walkout basements will not be considered as expandable space.

- I. Water and sewer house connection fees are not included in the calculation of the MPDU base sales price. In any instance where water and sewer connection charges are not deferred, the allowable sales price will be adjusted to reflect this increased cost to the developer.
- J. When permitted by the City Manager, significant items included in the minimum MPDU specifications, but which are not constructed in a unit will result in an adjustment to the allowable sales prices to reflect these omissions. Minimum specifications for MPDUs that exceed building code requirements are shown on the attached Addendum 1. It is the responsibility of the developer/builder to provide these items, or otherwise to obtain permission from the City Manager not to meet the minimum standards.
- K. When a gas heating and air conditioning system is substituted for an electric system in an MPDU, the allowable sales price will be adjusted by the City Manager.
- L. When the buyer and seller of an MPDU agree to modify the unit structurally to facilitate access or use by a disabled person(s), the City Manager may adjust the allowable sales price by the amount of the additional costs. The builder/developer must obtain approval of the price from the City Manager prior to executing a sales contract.
- M. The City Manager may adjust the allowable sales price of an MPDU if the developer/builder can demonstrate that additional unusual costs have been incurred (i.e., costs not already included in the allowable structure or lot development costs) which are directly attributable to and benefit the MPDUs and which are the result of:
 - 1. conditions or fees; such as impact or similar fees imposed by a governmental unit or as condition for building permit approvals;
 - 2. additional considerations or fees as a condition of obtaining governmental financing programs; or
 - 3. additional fees imposed by public utilities.

Documentation for such costs must accompany the sales offering agreement submitted to the CPDS. Requests for price adjustments must be initiated by the builder/developer. Additional costs for correcting or adapting the usability of marginal land, soils, or topography will not result in an increase to the allowable sales price.

- N. The City Manager may permit an increase in the allowable sales price of an MPDU in exceptional cases when the City Manager finds that a price increase is justified to cover the cost of modifying the external design of the MPDU that is necessary to reduce excessive visual and marketing impact of the MPDUs on the market-rate units in the subdivision. The increase in the allowable sales price will only be permitted in accordance with the following conditions:
 - 1. The MPDUs are interspersed among or adjacent to the market rate houses and are plainly visible to the occupants of the market rate housing. A site plan must be submitted which shows the location of the MPDUs and the market priced units.
 - 2. The design elements requested will be similar to those elements used on the market-rate housing units in order to reduce substantial differences in appearance. Compensation may be allowed for full

or half brick veneer facades and the sides of end units, roofing material, window and door treatments, materials for walkways, and similar architectural elements approved on a case by case basis.

3. Compensation will be based upon the cost difference between the design elements included in the calculation of the MPDU allowable structure cost and those design elements for which the builder is requesting compensation. Cost estimates for construction bids must be submitted that will establish this difference in cost. The City Manager may establish standard costs for approved design elements. The final determination of the amount of the compensation will be made by the City Manager.
4. The increase approved for architectural compatibility will be limited to ten percent of the allowable base cost for each unit increased by the direct costs percentages listed below. The allowable base cost will be determined using the square foot and lot development costs contained in Section 3 of this regulation.
 - a. Construction loan interest – prime rate plus 2 percent;
 - b. Construction loan expenses – 1.5 percent;
 - c. Builder's overhead expenses – 8 percent;
 - d. Pre-development expenses and overhead – 5 percent
- O. When the State of Maryland Community Development Administration's Homeownership Development Program is utilized to provide permanent financing for purchasers of MPDUs, the seller must exclude closing costs from the authorized sales price. The resulting sales price must reflect a deduction which equals the actual closing costs paid by the buyer. This provision only applies to those MPDUs for which a commitment of permanent financing has been received from the State of Maryland Development Administration in association with the Homeownership Development Program.
- P. The maximum, allowable sales price for new MPDUs sold to the housing agency, or to a non-profit corporation approved and certified by the Mayor and Council will be reduced to reflect the reduced selling and marketing costs associated with these units. In such cases, the maximum allowable sales price will be reduced by 4.5 percent.
- Q. The loan amount, but not the final sales price, may be increased to cover the cost of amortizing the mortgage insurance premium on FHA and Commission/FHA loans.
- R. The MPDU Pricing Standards and provisions of this regulation apply to all MPDUs offered for sale through the CPDS on or after the effective date of this regulation. The maximum allowable sales price for the MPDUs will be fixed when the City signs the offering agreement.

MPDU PRICING STANDARDS

UNIT DESCRIPTION					UNIT SIZE			COSTS				ADDITION/SUBTRACTION ADJUSTMENTS				
Unit Type	# of Stories	# of Bdrms	# of Baths	Bsmt Incl.	Base	Min.	Max.	Sq. Ft. Cost	Structure Cost	Lot Develop Cost	Bsmt	Finished Bath	Rough Bath	Finished Powdr Rm	Rough Powdr Rm	SF Chg/F BASE
SF Detach	1-2	3-4	1.5	Yes	1100 SF	1000 SF	1400 SF	\$46.41	\$51,051	\$14,963	\$6,814	\$2,188	\$688	\$1,647	\$546	\$23.71
Semi-Detach	1-2	2-3	1.5	Yes	1100 SF	1020 SF	1200 SF	\$43.45	\$47,797	\$12,025	\$5,788	Prices for bath and powder room adjustments are the same for all units regardless of type.				\$21.73
Townhouse or Four-Plex	2-3	2-3	1.5	Yes	1120 SF	1020 SF	1200 SF	\$40.29	\$45,124	\$10,689	\$4,679					\$20.15
Townhouse or Four-Plex	2-3	4	2	Yes	1200 SF	1120 SF	1300 SF	\$40.29	\$48,348	\$10,689	\$4,679					\$20.15
Back-to-Back Piggy Back TH	1-2	1-3	1.5	No	1100 SF	750 SF	1200 SF	\$35.60	\$39,158	\$8,925	\$4,100					\$17.80
Back-to-Back TH	3	3-4	1.5	No	1400 SF	1300 SF	1500 SF	\$33.56	\$46,981	\$8,925	\$4,100					\$16.78
Garden Condo	2-4	1-3	1	No	850 SF	600 SF	1100 SF	\$28.76	\$33,119	\$7,420	N/A					\$19.48
High Rise Condo	5+	1-3	1	No	850 SF	600 SF	1100 SF	\$68.24	\$58,002	N/A	N/A					\$34.12

Allowances:

- For end unit townhouses and back-to-back townhouses, add \$1,662.
- Unfinished space, which is only roughed-in, deduct \$11.00 per square foot from the base square foot price (basements are not considered finished space).
- Walkout basement with a 5 ft. sliding glass door, add \$933; for a unit with a 6 ft. door, add \$984.

Notes:

- The structure cost will be adjusted upward or downward based on the actual square footage of space constructed at the square foot adjustment factor from the last column. No additions will be made for sizes over the maximum floor area.
- The lot development cost does not include a development impact fee or the system development charge for water and sewer; these fees will be waived. A letter requesting the waiver and identifying the MPDUs must be sent to the agencies from the MPDU administrative staff. A list of the MPDUs must be submitted to the MPDU staff, identifying the MPDUs by lot, block, street address, account number, and building application number, if that is available.
- The cost for installing a sprinkler system has not been included in the square foot prices. If City Code requires the installation of a sprinkler system, the allowable price will be increased for that expense. Verification of the actual cost of the sprinkler system must be provided.
- The lot development cost does not include water and sewer house connection fees; the actual cost of the connection fees will be added to the direct cost of construction of the unit.
- All four-bedroom units, regardless of the unit type, will include two full bathrooms in the base square foot price.
- Condominium developments must have FHA approval. The expense of obtaining this approval will be added to the sales price.

MPDU SPECIFICATIONS

ITEM	SFD	SEMIDETACHED	TOWNHOUSES	BACK TO BACK TOWNHOUSES	PIGGYBACK TOWNHOUSES	GARDENS
No. Bdrms	2, 3, 4, 5	2, 3	1, 2, 3, 4	1, 2, 2, 3, 4		0, 1, 2, 3
No. Baths	1, 1.5, 2, 2	1, 1.5				
Electric Hot Water Heater (gallon)	40, 50, 50, 80	40, 50	30, 40, 50, 50	40, 50, 50, 50	50, 50, 40, 40	40, 40, 50, 50
Gas Hot Water Heater (gallon)	30, 40, 40, 50	30, 40	30, 30, 40, 40	40, 40, 30, 30	30, 30, 30, 40	30, 30, 30, 40

Note:

- a. Square foot prices are based upon heat pump systems for heating and air conditioning. Sales prices may be adjusted for units having other HVAC systems.
- b. Rough-in plumbing and electrical installation must meet the following conditions to qualify for a pricing addition:
 - 1) Plumbing rough-in: the installation of all parts of the plumbing system that can be completed prior to the installation of fixtures, appliances, or equipment must be included. This includes drainage, water supply, vent piping, and necessary supports and backboards. All piping must be tied-in and capped off after penetrating the wall or floor surface. Ductwork for the future installation of exhaust fans must be installed. Rough-in must pass air or water tests as required by the BOCA or WSSC Codes.
 - 2) Electrical rough-in: Wiring must be installed from service panel box to the location of item to be served (e.g. appliance, junction box switch or outlet) of the appliance to be and terminated at an outlet of the appliance to be serve.



Mayor & Council Meeting Date: June 4, 2018

Agenda Item Type: Approval

Department: Community Planning & Development Services

Responsible Staff: Asmara Habte

Subject

Approval of Moderately Priced Dwelling Unit (MPDU) Rents Schedule for Fiscal Year 2019

Recommendation

Staff recommends that the Mayor and Council approve a rental increase of 1.8% for the MPDU program for fiscal year 2019.

Discussion

The purpose of this agenda item is to inform the Mayor and Council of the maximum rent schedule for FY 2019 for MPDU rentals as calculated in accordance with the formula set forth in the MPDU regulations, and to request that the Mayor and Council establish a different maximum rent as allowed under § 13.5-7(2)c. Staff has provided a recommendation for an alternative rent schedule for consideration. The 2019 rent schedule will become effective July 1, 2018 upon approval.

Background

Per the MPDU Ordinance, the City Manager "... shall adjust the maximum rent annually in accordance with the formula set forth in the regulations." The regulation states that "Rental rates shall be based on the U.S. Department of Housing and Urban Development (HUD) median income calculation for a family of four in the Washington, D.C. Metropolitan Statistical Area..." The ordinance and regulation state that the Mayor and Council "...may establish a different maximum rent than provided by the aforesaid formula..." The ordinance provides factors for the Mayor and Council to consider, including a catchall that allows the Mayor and Council to consider any "relevant information," if establishing a different maximum rent.

Pursuant to the MPDU regulations, the annual rental rate adjustment is based on the U.S. Department of Housing and Urban Development's (HUD) income data, which is released annually around March 1. The HUD income data is inserted into the formula set forth in the MPDU regulations and the maximum rents are calculated. The Area Median Income (AMI) for the Washington, DC metropolitan region increased from \$110,300 in 2017 to \$117, 200 in 2018 for a family of four. The HUD income limits schedule for FY2018 is attached.

Per the MPDU ordinance and regulations, the MPDU program serves households at or below 60 percent of the AMI, or up to \$70,300 for a household size of four (4) persons under the 2018

AMI. For all household sizes, the minimum annual household income for the MPDU program remains unchanged at \$22,000.

The following tables shows the maximum household incomes and the maximum rents for the MPDU program for the City's fiscal year (FY) 2019 based on the recently-released HUD income limits.

Maximum Household Income by Household Size @ HUD's New Income Limits

HH Size	Current HH Income	New HH Income	Diff. from 2017 to 2018
1	46,300	49,200	2,900
2	52,900	56,300	3,400
3	59,600	63,300	3,700
4	66,200	70,300	4,100
5	71,500	75,900	4,400

Maximum Rents @ HUD's New Income Limits

Bedroom Count	Current MPDU Rents	New MPDU Rents	Diff (\$)	Diff (%)
0	965	1,025	\$60	6.2%
1	1,105	1,170	\$65	5.9%
1+den	1,175	1,245	\$70	6.0%
2	1,240	1,320	\$80	6.5%
2+den	1,310	1,395	\$85	6.5%
3	1,380	1,465	\$85	6.2%

Analysis

As shown above, the overall increase in the AMI from 2017 to 2018 results in a significant increase from the previous year in the maximum MPDU rent, ranging from sixty (\$60) to eight-five (\$85), depending on the bedroom count. These increases are the most significant in recent times and local communities are taking different approaches in managing the increase.

Montgomery County¹ has implemented a rate of 3.1% as the rate of rent increase for their MPDU program for 2018. Under the County's MPDU program, the County Executive issues an

¹ Montgomery County's increase of 3.1% is based on the CPI for the month of January 2017 (345.452) compared to the CPI for December 2017 (356.302) for the rent of primary residence in Washington-Arlington-Alexandria, all urban (Series Id: CUURS35ASEHA).

increased rate on an annual basis, regardless of changes in HUD's income limits. The City of Gaithersburg will use HUD's income limits, as shown above, because its MPDU ordinance and regulation does not permit alternative calculations, unlike the City of Rockville's.

Implementing the new HUD income limits opens the program to more residents, thereby increasing the demand for an already oversubscribed housing program. Similarly, implementing these increases is likely to cause an economic hardship for many of the City's residents occupying an MPDU because the new rents would be unaffordable to most. Based on currently available data, the average income of an MPDU certificate holder is \$38,652 with 87% of the households making less than \$50,000. The average household size for those whose household income is above \$50,000 is three persons, while the average household size for those with income below \$50,000 is two. HUD's recently-released income data shows that the income at 60% of AMI for a household size of two and three are \$56,300 and \$63,300, respectively.

Recommendation

If the Mayor and Council take no action, the maximum rents set forth on the table above will go into effect on July 1, 2018. Staff recommends that the Mayor and Council establish a different maximum rent schedule, as permitted under § 13.5-7(2)c., due to the significant increase in AMI from 2017 to 2018. An alternative is a rent increase calculation based on the Consumer Price Index (CPI). The current overall CPI for the Washington DC area is 1.8%. The rental housing CPI is 2.8%. Below are the rents at both 1.8% and 2.8% CPI increase.

**Alternative MPDU Rents Schedule
FY 2019**

Bedroom Size	Current MPDU Rents	Rents @ 1.8% Overall CPI ² Increase	Rents@ 2.8% CPI ³ Increase
0	965	982	992
1	1,105	1,125	1,136
1+den	1,175	1,196	1,208
2	1,240	1,262	1,275
2+den	1,310	1,334	1,347
3	1,380	1,405	1,419

² https://data.bls.gov/timeseries/CUURS35ASEHA?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

Series ID: CUURS35ASEHA. It should also be noted that the CPI used in this calculation is based on the CPI for March 2017 and March 2018.

³ https://data.bls.gov/timeseries/CUURS35ASA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

Series ID: CUURS35ASA0. It should also be noted that the CPI used in this calculation is based on the CPI for March 2017 and March 2018.

In consideration of maintaining the affordability of the MPDUs for current and future applicants, and the incomes of current residents in MPDUs, staff recommends increasing the rents by the overall CPI rate for the Washington DC area of 1.8%. An increase of the rents by 1.8% represents an increase of \$17 to \$25, compared to an increase of \$65 to \$85 based on the HUD income limits.

Implementation

As noted above, a new rent schedule becomes effective July 1, 2018 upon approval. The approved schedule will be communicated to property owners and managers of MPDU units, and posted on the City's website by July 1st.

The Property managers will provide MPDU certificate holders with a 60-day notice of the rent changes, after which the rents will be adjusted according to the approved rents.

Mayor and Council History

This is the first time that this item has been brought to the Mayor and Council this year.

Next Steps

The City will publish the new MPDU rents schedule as necessary.

Attachments

2018 HUD Income Limits (PDF)

Attachments

Attachment 15.a: 2018 HUD Income Limits (PDF)



Rob DiSpirito, City Manager

5/30/2018



FY 2018 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2018 Income Limits Summary

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

FY 2018 Income Limit Area	Median Family Income Explanation	FY 2018 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area	\$117,200	Very Low (50%) Income Limits (\$) Explanation	41,050	46,900	52,750	58,600	63,300	68,000	72,700	77,400
		Extremely Low Income Limits (\$)* Explanation	24,650	28,150	31,650	35,150	38,000	40,800	43,600	46,400
		Low (80%) Income Limits (\$) Explanation	54,250	62,000	69,750	77,450	83,650	89,850	96,050	102,250

NOTE: District of Columbia is part of the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**, so all information presented here applies to all of the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**.

The **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area** contains the following areas: District of Columbia, DC; Calvert County, MD; Charles County, MD; Frederick County, MD; Montgomery County, MD; Prince George's County, MD; Arlington County, VA; Clarke County, VA; Fairfax County, VA; Fauquier County, VA; Loudoun County, VA; Prince William County, VA; Spotsylvania County, VA; Stafford County, VA; Alexandria city, VA; Fairfax city, VA; Falls Church city, VA; Fredericksburg city, VA; Manassas city, VA; and Manassas Park city, VA.

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater

than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2018 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2018 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see here:

FY2017 Median Family Income and Income Limits for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area

Select a different county or county equivalent in District of Columbia:

District of Columbia ▲
▼

Select county or county equivalent

Select any FY2018 HUD Metropolitan FMR Area's Income Limits:

Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area ▼

Select HMFA Income Limits Area

Or press below to start over and select a different state:

Select a new state

Update URL For bookmarking or E-Mailing

Prepared by the [Economic and Market Analysis Division](#), HUD.



Mayor & Council Meeting Date: June 4, 2018
Agenda Item Type: Review and Comment
Department: City Manager's Office
Responsible Staff: Jenny Kimball

Subject

Mayor and Council Action Report

Recommendation

Review and Comment on the Action Report

Attachments

Attachment 16.A.a: M&C Action Report (DOC)

A handwritten signature in black ink, appearing to read "Rob DiSpirito", is written over a horizontal line.

Rob DiSpirito, City Manager

5/30/2018

Blue - new items to the list.

Red - latest changes.

Mayor and Council Action Report

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Estimated Completion or Agenda Item date
2014-23	9/8/11	R&P	Future agenda	King Farm Farmstead – Next Steps Status: The Mayor and Council will take up decision making about future uses during the July 16 worksession. The Dairy Barn renovations are completed, and staff conducted a tour of the Dairy Barn renovations for the Task Force, and Peerless Rockville on Friday April 6, 2018.	TBD
2015-14	7/13/15	CMO	Future agenda	Purchasing Study Response Status: The status report on the purchasing study will be provided every six months. An updated status report was shared with the Mayor and Council on agenda on April 9, 2018 and the next six-month update will be shared in July 2018.	July 2018
2016-12	9/26/16	HR	Future agenda	Vacancy Report Provide a Vacancy Report to the Mayor and Council at the end of each Quarter. Status: The third quarter report was shared on April 9, 2018.	August 1, 2018
2016-16	10/10/16	CPDS	Future agenda	Global Issues on BRT Schedule another discussion on BRT with the City of Gaithersburg and Montgomery County, to include broader issues such as governance and finance. Consider holding the meeting in Gaithersburg. Status: BRT and CCT will be discussed during a Mayor and Council worksession on July 16, 2018.	Ongoing
2016-17	10/24/16	R&P	Future agendas	Caregiver Task Force Provide regular updates on the status of the Caregiver Task Force establishment and work. Status: The Caregiver Task Force held its first meeting on March 22, 2018, and met again on May 1, 2018. Starting June 2018, meetings will be held the first Thursday of the month. On May 7, the Mayor and Council supported giving the Task Force the time they need to complete their work. For FY20, the city will accept caregiver grant applications and use the current process to recommend funding in the proposed FY20 budget.	Fall 2019
2016-18	10/24/16	CPDS	Future agenda	Site Plan/Development Review Improvements Provide regular updates on the status of the work. Status: A Listening Session on the City's Development Review Process was held on November 15, 2017, to seek input from stakeholders. ISD has held two forums, and Public Works is currently scheduling one. A calendar is being developed, and a plan for improvements is in the works. The next CPDS Director should also weigh in.	Ongoing
2016-22	11/21/16	R&P	Memo	Youth Sports Follow Up Monitor and provide the Mayor and Council, as it becomes available, new research and information on techniques and training to ensure safety in youth sports. Status: On January 23, 2018 Director of Recreation and Parks shared with the Mayor	Ongoing

Attachment 16.A.a: M&C Action Report (2073 : Mayor and Council Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Estimated Completion or Agenda Item date
				and Council new research regarding Chronic Traumatic Encephalopathy (CTE) and the risks of concussions. Proposed legislation in the Maryland General Assembly that would have prohibited children from playing tackle football on public fields until they reach high school was defeated.	
2017-6	2/27/17	CMO	Email	Minority-, Female- & Disabled-Owned Businesses Provide updates on the Procurement Division's activities to engage and support minority-, female- and disabled-owned businesses. Status: Staff shared a Minority Female Disabled (MFD) Outreach Program FY17 Year-End Report with the Mayor and Council by email on August 28, 2017. Procurement celebrated the two-year anniversary of the MFD Outreach Program on November 20, 2017. Staff shared an MFD update with the Mayor and Council on March 19, 2018.	Ongoing
2017-9	4/3/17	Procurement	Agenda item	Procurement of Internal Auditor Services Status: Funds are included in the FY19 Adopted Budget. A RFP will be developed next.	August 1, 2018
2017-11	6/12/17	R&P	Agenda item	Deer Population in Rockville Continue to monitor the deer population. Consider action steps and gather community input. Status: At the worksession on April 23, 2018, the Mayor and Council received significant information from local, state, and federal government agencies, as well as private organizations, who are involved in White Tail Deer management using lethal methods, and directed staff to come back with an agenda item to include a check list of issues that would have to be addressed.	Ongoing
2017-17	12/11/17	CPDS/CAO	Agenda Item	Changes to the Sign Ordinance Provide a project scope and timetable for review and amendments to the Sign Ordinance. Status: CPDS and CAO staff are working with outside Counsel on draft amendments to the Sign Ordinance. Final draft amendments will be presented to M&C on agenda for discussion.	TBD
2018-1	1/22/18	Finance	Action Report	Utility Billing System Provide updates on the replacement of the Velocity Payment System, powered by Govolution. Status: Finance has been looking into a new vendor for Utility Billing. This project will upgrade the City's existing utility billing system to allow for enhanced customer account access, and will include a smart phone payment app. FY2019 work includes vendor selection, purchase, and implementation of a new system. On March 19, the Mayor and Council rejected all previous bids that were submitted. A revised RFP is presently being finalized.	TBD
2018-2	2/26/18	R & P	Agenda Item	Walking Path Lighting Policy Share information on the current policy/practice regarding lighting on City paths. Status: As a first step, staff will provide a memorandum outlining the current policy, identifying City paths that are candidates for lighting based on the nature of the public's use for travel, as well as an estimate of costs.	July 1, 2018
2018-3	3/5/18	HR	Agenda Item	Health Benefits Advisory Committee Report Brief the Mayor and Council on the FY18 work of the Committee and the	September 2018

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Estimated Completion or Agenda Item date
				recommendations included in their end of year report.	
2018-4	3/5/2018	IT	Agenda Item	Rockville Information Technology Strategy Brief the Mayor and Council on the City's overall strategy on information technology, including the current state of technology, future goals and implementation strategies.	September 2018
2018-5	3/19/18	CMO/ Finance	Agenda Item	Fraud Tipline Discuss the option to develop a tipline for external customers to report suspected fraud or abuse, including approaches to implementing the tipline. Status: During the April 9 discussion, the Mayor and Council expressed support for a new hotline and directed staff to explore further the options for organizational placement of the function within the City. Information about organization placement was sent to the Mayor and Council on 5/24/18.	Summer 2018
2018-6	3/19/18	CPDS	Agenda Item	Uses in the MXB Zone Remove the currently-allowed Shooting Gallery use from the MXB Zone Status: Staff will bring to Mayor and Council for Authorization to File.	Summer 2018

CLOSED / COMPLETED

2017-16	10/16/17	R & P	Agenda Item	Chestnut Lodge Park Name Begin the process of naming the new park on the Chestnut Lodge Property Status: The Recreation and Park Advisory Board's recommended name was included in an April Rockville Reports article. A public hearing on the recommended name took place on April 30. The Mayor and Council approved naming the park, Chestnut Lodge Park, at their meeting on May 14, 2018.	Complete
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Mayor & Council Meeting Date: June 4, 2018
Agenda Item Type: Review and Comment
Department: City Clerk/Director of Council Operations Office
Responsible Staff: Mary Grace Sabol

Subject

Future Agendas

Recommendation

Attachments

Attachment 16.B.a: Mock Agenda 06.18.18 (DOC)
Attachment 16.B.b: Future Agendas 06.04.18 (XLS)


Kathleen Conway, City Clerk/Director of Council Operations 5/30/2018



MAYOR AND COUNCIL

MEETING NO.

Monday, June 18, 2018 – 7:00 PM

MOCK AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

- 7:00 PM **1. Convene**

- 7:05 PM **2. Pledge of Allegiance**

- 7:10 PM **3. Agenda Review**

- 7:15 PM **4. City Manager's Report**

- 7:25 PM **5. Proclamation**
 - A. Proclamation Declaring July 2018 as Park and Recreation Month in Rockville.**

- 7:30 PM **6. Recognition**
 - A. Recognition - Rockville City Academy Participants**

- 7:40 PM **7. Boards and Commissions Appointments, Reappointments and Announcements of Vacancies**
 - A. Boards and Commissions Appointments, Reappointments and Announcement of Vacancies**

- 7:55 PM **8. Community Forum**

Any member of the community may address the Mayor and Council for 3 minutes during Community Forum. Unless otherwise indicated, Community Forum is included on the agenda

for every regular Mayor and Council meeting, generally between 7:00 and 7:30 pm. Call the City Clerk/Director of Council Operation's Office at 240-314-8280 to sign up to speak in advance or sign up in the Mayor and Council Chamber the night of the meeting.

9. Mayor and Council's Response to Community Forum

10. Mayor and Council Announcements

8:15 PM 11. Consent

- A. Award of IFB 44-18 - Furnish and Plant Trees and Shrubs**
- B. Award of IFB 45-18 - Janitorial Services**
- C. Award of IFB #Xx-Xx, Wootton Parkway Sidewalk Construction, to (Vendor) in the Amount Not to Exceed (\$Xx)**
- D. Award of IFB #28-18, Water Treatment Plant Filter Press Rehabilitation Services, to (Vendor) in the Amount Not to Exceed (\$Xx)**
- E. Award of the Long-Term Disability (LTD) Insurance Contract to Guardian Life Insurance Company of America (Guardian) Based on the Current Census**
- F. City Travel Policy**

8:20 PM 12. Pension Plan Amendments

8:30 PM 13. Discussion, Instruction, and Possible Adoption of the Abandonment of a 0.03-Acre Portion of Halpine Right-Of-Way

8:40 PM 14. Discussion, Instruction, and Possible Adoption of the Comprehensive Transportation Review (CTR) Recommendations

8:55 PM 15. Discussion, Instruction and Possible Adoption on Map Amendment MAP2017-00117, the Removal of Parcels A, B & I from the Planned Development-Chestnut Lodge (PD-CL) Zoning Designation to the Park Zone.

- 9:25 PM **16. Discussion and Instruction and Possible Adoption on Project Plan Application PJT2018-00009, an Amendment of the Chestnut Lodge Planned Development Residential Unit (PRU2005-00022), to Allow for the Removal of Parcels A, B & I from the Planned Development-Chestnut Lodge (PD-CL) Zone to be Rezoned to the Park Zone (PZ).**

- 9:55 PM **17. Review and Comment - Mayor and Council Action Report**

A. Mayor and Council Action Report

- 18. Review and Comment - Future Agendas**

A. Future Agendas

- 19. Old/New Business**

- 10:10 PM **20. Adjournment**

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: <http://www.rockvillemd.gov/mcguidelines>.

Future Agendas - Tentative
June 4, 2018

16.B.b

Meeting : 07/02/18 07:00 PM (3 items)			
	Category	Estimated Agenda Time Needed (in minutes)	Agenda Item
	Proclamation	5	Proclamation Declaring July 2, 2018 as Mattie J.T. Stepanek Peace Day in Rockville
	Review and Comment	5	Mayor and Council Action Report
	Review and Comment	5	Mayor and Council Priority Initiatives
Meeting : 07/16/18 07:00 PM (3 items)			
	Category	Estimated Agenda Time Needed (in minutes)	Agenda Item
	Work Session	60	Ethics Commission Update
	Work Session	60	Worksession on the Bus Rapid Transit (BRT) and the Corridor Cities
	Work Session	60	King Farm Farmstead Future Uses
Meeting : 08/01/18 07:00 PM (6 items)			
	Category	Estimated Agenda Time Needed (in minutes)	Agenda Item
	Review and Comment	5	Mayor and Council Action Report
	Proclamation	5	Proclamation Declaring August 7, 2018 as National Night Out in Rockville
	Public Hearing	20	FY 2020 Community Development Block Grant (CDBG) Application: Public
	Discussion	5	Fiscal Year 2018 Fourth Quarter Vacancy Report
	Introduction	20	Introduction of Ordinance to Amend Chapter 24

Attachment 16.B.b: Future Agendas 06.04.18 (2145 : Future Agendas)

Future Agendas - Tentative
June 4, 2018

16.B.b

	Introduction	5	Introduction of Ordinance to Amend Chapter 21
	Discussion and Instructions	10	Consideration of Letter to Support Veirs Mill Bus Rapid Transit Project Requested by Montgomery County Government
Meeting : 09/17/18 07:00 PM (2 items)			
	Category	Estimated Agenda Time Needed (in minutes)	Agenda Item
	Review and Comment	5	Mayor and Council Action Report
	Adoption	20	Adoption of a Resolution Authorizing and Empowering the Mayor and Council of Rockville to Issue, Sell, and Deliver Its Economic Development Revenue Bonds in a Principal Amount Not to Exceed \$90,000,000

Attachment 16.B.b: Future Agendas 06.04.18 (2145 : Future Agendas)